

**JOURNAL**  
**OF THE**  
**SENATE**  
**STATE OF MINNESOTA**  
**SEVENTY-FIRST LEGISLATURE**

**1980**

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# Introduction

On November 26, 1979, Senator John C. Chenoweth, (DFL), District 66, resigned his Senate seat. A special election was held January 8, 1980, and Emery Barrette, (IR), St. Paul, was elected to fill out the remainder of Senator Chenoweth's term and was sworn in on January 16, 1980.

Senator Ed Schrom, (DFL), District 16, died on January 20, 1980. A special election was held on February 22, 1980. Bernard (Ben) Omann, (IR), St. Joseph, won election to this seat and was sworn in on February 28, 1980.

Thirteen Senators announced that they would not seek reelection in 1980. They were: Jerald C. Anderson, (DFL), North Branch; Robert M. Benedict, (DFL), Bloomington; Nicholas D. Coleman, (DFL), St. Paul; Robert G. Dunn, (IR), Princeton; Edward J. Gearty, (DFL), Minneapolis; Carl A. Jensen, (IR), Sleepy Eye; Steve Keefe, (DFL), Minneapolis; William G. Kirchner, (IR), Richfield; Jack I. Kleinbaum, (DFL), St. Cloud; Bill McCutcheon, (DFL), St. Paul; Harmon T. Ogdahl, (IR), Minneapolis; George F. Perpich, (DFL), Chisholm; and Arnulf Ueland, Jr., (IR), North Mankato.

The political make-up of the 1980 Senate, Seventy-First Legislature, was 45 DFL-ers and 22 Independent Republicans.

# Members of the Senate

Anderson, Jerald C. (DFL) *	Moe, Roger D. (DFL)
Ashbach, Robert O. (IR) **	Nelson, Tom A. (DFL)
Bang, Otto T., Jr. (IR)	Nichols, Jim (DFL)
Barrette, Emery (IR)	Ogdahl, Harmon T. (IR)
Benedict, Robert M. (DFL)	Olhoft, Wayne (DFL)
Bernhagen, John (IR)	Olson, Howard D. (DFL)
Brataas, Nancy (IR)	Omann, Bernard (Ben) (IR)
Chmielewski, Florian (DFL)	Penny, Timothy J. (DFL)
Coleman, Nicholas D. (DFL)	Perpich, George F. (DFL)
Davies, Jack (DFL)	Peterson, Collin C. (DFL)
Dieterich, Neil (DFL)	Pillsbury, George S. (IR)
Dunn, Robert G. (IR)	Purfeerst, Clarence M. (DFL)
Engler, Steve (IR)	Renneke, Earl W. (IR)
Frederick, Mel (IR)	Rued, Dave (IR)
Gearty, Edward J. (DFL)	Schaaf, David D. (DFL)
Gunderson, Jerome (DFL)	Schmitz, Robert J. (DFL)
Hanson, Marvin B. (DFL)	Setzepfandt, A. O. H. (DFL)
Hughes, Jerome M. (DFL)	Sieloff, Ron (IR)
Humphrey, Hubert H., III (DFL)	Sikorski, Gerry (DFL)
Jensen, Carl A. (IR)	Sillers, Douglas H. (IR)
Johnson, Douglas J. (DFL)	Solon, Sam G. (DFL)
Keefe, John B. (IR)	Spear, Allan H. (DFL)
Keefe, Steve (DFL)	Staples, Emily Anne (DFL)
Kirchner, William G. (IR)	Stern, Irving M. (DFL)
Kleinbaum, Jack I. (DFL)	Stokowski, Anne K. (DFL)
Knaak, Delores (IR)	Strand, Roger E. (DFL)
Knoll, Franklin J. (DFL)	Stumpf, Peter P. (DFL)
Knutson, Howard A. (IR)	Tenessen, Robert J. (DFL)
Laufenburger, Roger (DFL)	Ueland, Arnulf, Jr. (IR)
Lessard, Bob (DFL)	Ulland, James (IR)
Luther, William P. (DFL)	Vega, Conrad M. (DFL)
McCutcheon, Bill (DFL)	Wegener, Myrton O. (DFL)
Menning, Marion (Mike) (DFL)	Willet, Gerald L. (DFL)
Merriam, Gene (DFL)	

\*DFL—Democratic-Farmer-Labor

\*\*IR—Independent Republican

## Senate Leaders

Coleman, Nicholas D. ....	Majority Leader
Hanson, Marvin B. ....	Assistant Majority Leader
Johnson, Douglas J. ....	Majority Whip
Keefe, Steve ....	Majority Whip
Ashbach, Robert O. ....	Minority Leader
Frederick, Mel ....	Minority Whip
Bernhagen, John ....	Deputy Minority Whip
Dunn, Robert G. ....	Assistant Minority Leader
Jensen, Carl A. ....	Assistant Minority Leader
Knutson, Howard A. ....	Assistant Minority Leader

# Officers of the Senate

<b>Gearty, Edward J.</b> .....	<b>President</b>
<b>Flahaven, Patrick E.</b> .....	<b>Secretary of the Senate</b>
<b>Vavrosky, Joseph C.</b> .....	<b>First Assistant Secretary</b>
<b>Mattson, Janine</b> .....	<b>Second Assistant Secretary</b>
<b>Urman, Patrice</b> .....	<b>Third Assistant Secretary</b>
<b>Goodwin, George G.</b> .....	<b>Minority Secretary</b>
<b>Raiola, Marvin</b> .....	<b>Sergeant at Arms</b>
<b>Zell, Willard</b> .....	<b>Assistant Sergeant at Arms</b>
<b>Ganje, Kay</b> .....	<b>Engrossing Secretary</b>
<b>Morrison, Catherine E.</b> .....	<b>Engrossing and Appointments Clerk</b>
<b>Finn, Father Nicholas J.</b> .....	<b>Chaplain</b>

**SIXTIETH DAY**

St. Paul, Minnesota, January 22, 1980

The Senate met at 12:00 o'clock noon and was called to order by the President.

**CALL OF THE SENATE**

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Frederick	Knoll	Olson	Solon
Ashbach	Gearty	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	McCutcheon	Renneke	Strand
Brataas	Jensen	Menning	Rued	Stumpf
Chmielewski	Johnson	Merriam	Schaaf	Tennessee
Coleman	Keefe, J.	Moe	Schmitz	Ueland, A.
Davies	Keefe, S.	Nelson	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Nichols	Sieloff	Vega
Dunn	Kleinbaum	Ogdahl	Sikorski	Wegener
Engler	Knaak	Olhoft	Sillers	Willet

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Father Nicholas J. Finn.

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

Anderson	Frederick	Knoll	Olson	Solon
Ashbach	Gearty	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	McCutcheon	Renneke	Strand
Brataas	Jensen	Menning	Rued	Stumpf
Chmielewski	Johnson	Merriam	Schaaf	Tennessee
Coleman	Keefe, J.	Moe	Schmitz	Ueland, A.
Davies	Keefe, S.	Nelson	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Nichols	Sieloff	Vega
Dunn	Kleinbaum	Ogdahl	Sikorski	Wegener
Engler	Knaak	Olhoft	Sillers	Willet

The President declared a quorum present.

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

**MEMBERS EXCUSED**

Mr. Perpich was excused from the Session of today.

**ELECTION OF OFFICERS**

Mr. Coleman moved that the election of officers be made on one roll call unless there should be more than one nomination for any office. The motion prevailed.

The following nominations were made:

Mr. Laufenburger nominated Marvin Raiola for Sergeant at Arms.

Mr. Hughes nominated Willard Zell for Assistant Sergeant at Arms.

The question was taken on the election of the above named nominees. The roll was called and there were yeas 65 and nays none.

The above named nominees having received the majority vote of all members voting, the nominees were declared duly elected.

**OATH OF OFFICE**

The Sergeant at Arms and the Assistant Sergeant at Arms advanced to the Bar of the Senate and subscribed to the oath of office as administered by the President.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Laufenburger, Setzepfandt, Purfeerst and Frederick introduced—

S. F. No. 1601: A bill for an act relating to state government; transferring certain powers and duties relating to natural gas pipeline safety from the state fire marshal in the department of public safety to the director of the department of public service.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S. F. No. 1602: A resolution relating to amending the United States Constitution to protect human life; applying to congress to call a constitutional convention to provide for protection of all human life.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Solon and Laufenburger introduced—

S. F. No. 1603: A bill for an act relating to commerce; prohibiting producers or refiners of petroleum from operating retail ser-

vice stations with company personnel; providing for injunctive enforcement.

Referred to the Committee on Commerce.

Messrs. Ueland, A.; Sillers and Ashbach introduced—

S. F. No. 1604: A bill for an act relating to taxation; income; excluding certain interest income from gross income; amending Minnesota Statutes 1978, Section 290.01, Subdivision 20, as amended.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ashbach, Pillsbury, Sillers and Bernhagen introduced—

S. F. No. 1605: A bill for an act relating to elections; providing for a place on tax forms to indicate a desire not to allocate state money to finance election campaigns; amending Minnesota Statutes 1978, Section 10A.31, Subdivision 3.

Referred to the Committee on Elections.

Mr. Ashbach, Mrs. Knaak, Messrs. Sillers, Dunn and Ogdahl introduced—

S. F. No. 1606: A bill for an act relating to labor; regulating the use of arbitration in teacher bargaining; amending Minnesota Statutes 1978, Section 179.69, Subdivisions 3, 5 and 6.

Referred to the Committee on Governmental Operations.

Messrs. Schaaf, Sikorski and Strand introduced—

S. F. No. 1607: A bill for an act relating to state government; recodifying the laws governing the state board of investment; providing for the appointment of an executive director and detailing his duties and powers; defining terms; establishing standards for the investment of state and pension assets; repealing Minnesota Statutes 1978, Sections 11.01 to 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12 to 11.14; 11.15 to 11.28; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145.

Referred to the Committee on Governmental Operations.

Mr. Schaaf introduced—

S. F. No. 1608: A bill for an act relating to state government; changing certain administrative procedures; amending Minnesota Statutes 1978, Sections 15.0411, Subdivision 2; 15.0412, Subdivisions 2, 4, 5, and by adding subdivisions; 15.0413, Subdivisions 1 and 2; 15.0418; 15.0419, Subdivisions 1, 2, and 4; 15.0421; 15.0422; 15.0424, Subdivisions 1, 2, and 6; 15.0425; 15.0426; and

15.052, Subdivisions 1, 2, 3, 4, 5, 7, 8 and 9; repealing Minnesota Statutes 1978, Sections 5.21, and 15.0423.

Referred to the Committee on Governmental Operations.

Mr. Pillsbury introduced—

S. F. No. 1609: A bill for an act relating to education; extending the coverage of a grandfather provision allowing certain pupils to attend school in a school district other than the district in which the pupil resides; amending Minnesota Statutes, 1979 Supplement, Section 120.075.

Referred to the Committee on Education.

Mr. Perpich introduced—

S. F. No. 1610: A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Virginia.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Sillers introduced—

S. F. No. 1611: A bill for an act relating to local government; establishing the Moorhead-Clay County area redevelopment authority; terminating the existence of the Moorhead local redevelopment agency and the Clay County local redevelopment agency; granting certain powers to the city of Moorhead and the county of Clay.

Referred to the Committee on Local Government.

Mr. Renneke introduced—

S. F. No. 1612: A bill for an act relating to the state building code; providing for majority of county board to decide applicability of state building codes; amending Minnesota Statutes, 1979 Supplement, Section 16.868.

Referred to the Committee on Energy and Housing.

Mr. Willet introduced—

S. F. No. 1613: A bill for an act relating to Independent School District No. 119, Walker; authorizing it to transfer money from its general fund to its capital expenditure fund for the purpose of constructing a facility for special education.

Referred to the Committee on Education.

Mr. Ashbach, Mrs. Knaak and Mr. Stumpf introduced—

S. F. No. 1614: A bill for an act relating to retirement; Roseville volunteer firefighters' relief association; authorizing increases in service pensions for retired members; authorizing membership of a retired member on the board of trustees of the relief association.

Referred to the Committee on Governmental Operations.

Mr. Penny, Mrs. Knaak and Mr. Olhoft introduced—

S. F. No. 1615: A bill for an act relating to transportation; repealing a certain administrative rule of the department of transportation enforcing parallel parking on certain streets and highways.

Referred to the Committee on Transportation.

Mr. Ashbach, Mrs. Knaak, Messrs. Knutson, Sillers and Kirchner introduced—

S. F. No. 1616: A bill for an act relating to state employees; providing bonuses to certain state employees.

Referred to the Committee on Governmental Operations.

Messrs. Solon, Bang, Laufenburger, Ogdahl and Gearty introduced—

S. F. No. 1617: A bill for an act relating to financial institutions; permitting industrial loan and thrift companies to take liens on real estate; authorizing charges incurred in taking liens on real estate; amending Minnesota Statutes 1978, Section 53.04, Subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Commerce.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate in Joint Convention at 11:45 a.m., Thursday, January 24, 1980, to receive the message of the Honorable Albert H. Quie, Governor of the State of Minnesota, which will be delivered at 12:00 noon.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 22, 1980

Mr. Coleman moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention at 11:45 o'clock a.m. on Thursday, January 24, 1980 to receive

the message of the Honorable Albert H. Quie, Governor of the State of Minnesota. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. Coleman from the Committee on Rules and Administration makes the following report: That the portion of Rule 57 of the Permanent Rules of the Senate that relates to standing committees and their complement be amended to read as follows:

### STANDING COMMITTEES

57. The standing committees of the Senate and their complement are as follows:

Agriculture and Natural Resources 19 20

Commerce 15

Education 16 17

Elections 11

Employment 14

Energy and Housing 14

Finance 26 25

General Legislation and Administrative Rules 14

Governmental Operations 20 19

Health, Welfare and Corrections 14

Judiciary 16

Local Government 12

Rules and Administration 22

Taxes and Tax Laws 20

Transportation 16

Veterans' Affairs 14

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, makes the following report: That the Permanent Rules of the Senate be amended as follows:

Strike all of Rule 62 and insert:

"62. The Senate shall employ for the 1980 Session of the 71st Legislature the following:

NUMBER OF POSITIONS	POSITION	SALARY PER DAY
2	Administrative Assistant I	1 @ \$56.73 1 @ \$69.34
1	Administrative Assistant II	\$85.86
3	Administrative Secretary	\$44.66
2	Assistant Captain of Pages	1 @ \$26.96 1 @ \$28.99
4	Assistant Public Information Officer	3 @ \$32.25 1 @ \$41.77
1	Assistant Sergeant at Arms	\$27.43
1	Captain of Pages	\$31.10
1	Chaplain (Several to serve during session)	\$25.00
1	Chief Indexer	\$59.89
10	Clerk I	3 @ \$26.67 2 @ \$30.00 5 @ \$32.99
5	Clerk Typist I	1 @ \$27.07 1 @ \$29.32 3 @ \$30.41
12	Clerk Typist II	6 @ \$30.00 3 @ \$32.10 3 @ \$33.96
16	Committee Administrative Assistant	1 @ \$38.36 2 @ \$46.01 1 @ \$52.01 12 @ \$56.73
13	Committee Clerk	6 @ \$27.89 4 @ \$30.41 3 @ \$31.92
16	Committee Secretary	2 @ \$42.55 14 @ \$44.66
1	Computer Services Supervisor	\$44.66
5	Computer Terminal Operator	1 @ \$32.00 2 @ \$34.24 2 @ \$35.98
1	Duplicating Supervisor	\$35.60
1	Engrossing and Appointments Clerk	\$47.28
1	Engrossing Secretary	\$59.89
1	Executive Secretary I	\$47.28
2	Executive Secretary II	\$53.46

NUMBER OF POSITIONS	POSITION	SALARY PER DAY
1	First Assistant Secretary of the Senate	\$92.19
2	Fiscal Services Aide	1 @ \$47.42 1 @ \$48.99
3	Indexer	1 @ \$36.99 1 @ \$41.77 1 @ \$44.19
6	Legislative Assistant I	2 @ \$32.08 2 @ \$34.32 1 @ \$38.77 1 @ \$41.77
4	Legislative Assistant II	\$48.86
1	Legislative Assistant III	\$59.89
5	Legislative Clerk II	1 @ \$30.45 4 @ \$37.32
5	Legislative Fiscal Analyst	1 @ \$54.79 1 @ \$67.43 1 @ \$91.54 1 @ \$92.52 1 @ \$93.89
1	Minority Secretary of the Senate	\$91.89
30	Page	25 @ \$24.00 5 @ \$26.00
1	Public Information Officer (Acting)	\$49.18
19	Researcher	2 @ \$38.36 3 @ \$39.58 2 @ \$41.10 2 @ \$42.49 1 @ \$45.44 1 @ \$47.28 1 @ \$48.37 1 @ \$49.04 1 @ \$50.98 1 @ \$54.23 1 @ \$55.50 1 @ \$63.78 1 @ \$72.86 1 @ \$75.64
1	Second Assistant Secretary/ Personnel Officer	\$78.57
25	Secretary	7 @ \$37.44 4 @ \$39.49 14 @ \$41.77
1	Secretary to the Majority Leader	\$53.46

NUMBER OF POSITIONS	POSITION	SALARY PER DAY
1	Secretary to the Minority Leader	\$51.58
1	Secretary of the Senate	\$126.21
13	Senate Counsel	3 @ \$54.79 1 @ \$56.16 1 @ \$62.33 2 @ \$64.38 1 @ \$65.75 1 @ \$68.49 1 @ \$72.60 1 @ \$76.71 1 @ \$90.88 1 @ \$93.58
12	Senate Research	2 @ \$46.58 1 @ \$48.37 1 @ \$48.75 1 @ \$55.76 1 @ \$57.02 1 @ \$57.80 1 @ \$63.03 1 @ \$67.97 3 @ \$77.47
1	Senate Research Assistant Director	\$87.74
1	Senate Research Director	\$113.89
13	Sergeant	2 @ \$22.00 11 @ \$24.00
1	Sergeant at Arms	\$42.86
20	Stenographer I	16 @ \$32.77 4 @ \$34.10
20	Stenographer II	6 @ \$36.00 14 @ \$38.89
1	Third Assistant Secretary of the Senate	\$52.92
1	Word Processing Assistant Supervisor	\$39.49
1	Word Processing Supervisor	\$44.66

Appointment to the foregoing positions shall be made by resolution specifying the names of the appointees and the positions to which they are appointed, adopted by a majority of all members of the Senate."

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

#### MOTIONS AND RESOLUTIONS

Mr. Coleman moved that Rule 57 of the Permanent Rules be amended in accordance with the report of the Committee on Rules and Administration adopted today. The motion prevailed. So the rule was amended.

Mr. Coleman moved that Rule 62 of the Permanent Rules be amended in accordance with the report of the Committee on Rules and Administration adopted today.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olson	Solom
Ashbach	Gearly	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	McCutcheon	Renneke	Strand
Brataas	Jensen	Menning	Rued	Stumpf
Chmielewski	Johnson	Merriam	Schaaf	Tennessee
Coleman	Keefe, J.	Moe	Schmitz	Ueland, A.
Davies	Keefe, S.	Nelson	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Nichols	Sieloff	Vega
Dunn	Kleinbaum	Ogdahl	Sikorski	Wegener
Engler	Knaak	Ohlhoft	Sillers	Willet

The motion prevailed. So the rule was amended.

Mr. Coleman introduced—

Senate Resolution No. 37: A Senate resolution providing for Senate committee assignments.

BE IT RESOLVED, by the Senate:

That Senate Resolution No. 3 relating to standing committees of the Senate for the 71st Session, Senate Journal, January 3, 1979, pages 16-19 as amended by the Senate on January 15, 1979, Senate Journal, page 87, be further amended as follows:

Agriculture and Natural Resources 19 20

Add: Stern

Education 16 17

Delete: Stokowski, Eugene

Add: Stokowski, Anne; Barrette

Elections

Delete: Stokowski, Eugene, Vice Chairman

Add: Stokowski, Anne, Vice Chairman

Energy and Housing

Delete: Chenoweth

Add: Stern

Finance 26 25

Delete: Lewis; Chenoweth; Keefe, S.

Add: Knoll, Staples

General Legislation and Administrative Rules

Delete: Dunn

Add: Knaak

**Governmental Operations 20 19**

Delete: Stokowski, Eugene; Chenoweth; Knaak

Add: Stokowski, Anne; Barrette

Designate: Schaaf, Chairman; Sikorski, Vice Chairman

**Health, Welfare and Corrections**

Delete: Lewis

Add: Anderson

**Judiciary**

Delete: Sillers

Add: Barrette

**Rules and Administration**

Delete: Chenoweth

Add: Schaaf

**Taxes and Tax Laws**

Delete: Stokowski, Eugene

Add: Keefe, S.

**Transportation**

Delete: Lewis

Add: Stern

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

Mr. Coleman introduced—

Senate Resolution No. 38: A Senate resolution appointing personnel to respective positions for the 1980 Session of the Minnesota State Senate at the salaries heretofore established.

BE IT RESOLVED, by the Senate, that the following named persons be and they hereby are appointed for the Session to the respective positions hereinafter stated and at the salaries of the respective positions heretofore established:

POSITION	NAME
Administrative Assistant I	James Greenwalt David Hoium
Administrative Assistant II	John Kaul
Administrative Secretary	JoAnne Blockey Mary Catlin Betsy Chesebrough
Assistant Captain of Pages	Mark Satterlee Doris Snyder
Assistant Public Information Officer	Mark Nelson Anita Neumann Bruce Singleton Judy Strobel
Captain of Pages	Gregory Breher

<b>POSITION</b>	<b>NAME</b>
<b>Chief Indexer</b>	<b>Ardis Jacobson</b>
<b>Clerk I</b>	<b>Paul Borden Harry Burns Ernest Ferrotto Fred Gould Eleanor Nash Aaron Rivers John Stieger Helen Stryski</b>
<b>Clerk Typist I</b>	<b>Betty Brown Teresa Gran Stephanie Parsons Mary Russell</b>
<b>Clerk Typist II</b>	<b>Barbara Burleigh Dorothy Diessner Gloria Gunville Laura Lindorfer Jody Neby Peggy Schweizer Laurie Simon Mark Traxler Geraldine Ulness Josey Warren Carol Wicke</b>
<b>Committee Administrative Assistant</b>	<b>Robert Ambrose Mark Andrew Keith Carlson Greg DeWitt Kathleen Corrigan Foley Constance Haddeland Lucy Johnson-Gaines Janet Lund Tim Michaels Carl Norberg John Ongaro Michael Robertson Linda Schutz Dale Ulrich Sandra Wendt Helen Wilkie</b>
<b>Committee Clerk</b>	<b>Val Bye Joan Godeke Sue Hartfiel Francine Kaufenberg Cathy McLaughlin Scott Magnuson Arthur Priesz Erwin Rud</b>

POSITION	NAME
Committee Secretary	Colleen Barry Sandi Brown Joyce Bukosky Josephine Dario Eleanor Dierckins Bonnie Featherstone Peggy Kormendy Nancy Mathisrud Phyllis Meryhew Mary Mogush Ruth Peterson Carol Schell Mavis Sievert Sherry Tyler Ardy Vos
Computer Services Supervisor	Bettye Bates
Computer Terminal Operator	Linda Carnel Lucie Gebhardt Elaine Lossie Mary Rengel
Duplicating Supervisor	David Vail
Executive Secretary I	Ardella Tischler
Executive Secretary II	Sandra Burrill Dorothy Jung
Fiscal Services Aide	LaVonne Gangl Mary Thompson
Indexer	Judy Johnson Marilyn Lustig Jean Schmidt
Legislative Assistant I	Billie Ball Patricia Bell Joanne Garcia Sarah Lewerenz Bradley Lundell
Legislative Assistant II	Steven Goff Cathie Hughes Gene Nelson Mary Jane O'Keefe
Legislative Assistant III	Diane Hendrickson
Legislative Clerk II	Mary Bothwell Charles Fastner Allen Finnegan Sandra Greeley
Legislative Fiscal Analyst	David Buelow Richard Diercks

<b>POSITION</b>	<b>NAME</b>
	Earl Evenson Patrick Martyn Harold Miller
<b>Minority Secretary of the Senate</b>	George Goodwin
<b>Page</b>	Daniel Anderson Beverly Bachel Pamela Baker Gregory Barnes Virginia Bauman Patrice Cullen Mary Delaney Deborah Grant Bridget Hagerty Joyce Ihrke John Jaffrey Charles Jordan Marileah McCarty Judy Morem Robin Olson Eugene Perry Michael Runk Gretchen Schultz Gail Shearer Richard Ziegler
<b>Public Information Officer (Acting)</b>	Karen Clark
<b>Researcher</b>	Denise Anderson Gary Bastian Judy Bergland William Bierman Kathleen Buchmeier Gregory Failor Rosemary Goff Marcia Greenfield Ray Joachim Janet Kampf David Karpinski Tom Kukielka Linda Lacher Sherri Lee Mortenson Patricia Peterson LaVerne Swanson
<b>Secretary</b>	Lynn Anderson Vickie Block Laurel Carlson Lois DeLong Carol Fossey Violet Geer Barbara Glick Sheila Higby

POSITION	NAME
	Emma Holm
	Donald Jorovsky
	Mary Kennedy
	Jean Kustelski
	Sheryl LaRue
	Barbara Martin
	Marge McShea
	Mercedes Peterson
	Nancy PirkI
	Joanne Stassen
	Joyce Van Guilder
Secretary to the Majority Leader	Shirley Cardwell
Secretary to the Minority Leader	Romayne Houle
Senate Counsel	Gary Becker
	Jay BenAnav
	Janel Bush
	Larry Fredrickson
	Deborah Huskins
	Patricia Johnson
	Larry Jones
	Daniel McGowan
	Joanne Zoff Sellner
	Paul Strandberg
	Peter Wattson
	Alan Williams
Senate Research	William Bloyer
	Jacqueline Brown
	Carolyn Carlson
	Terri Erickson
	Frank Fly
	David Giel
	Paul Hyduke
	Joyce Krupey
	Laura Miller
	Richard Sevra
	Dwight Smith
Senate Research Assistant Director	Robert Lacy
Senate Research Director	William Riemerman
Sergeant	Richard Conway
	Jerome Coughlin
	James Darrell
	Ralph Graham
	Robert Graham
	Joel Levenson
	Claude Lewis
	Al Mareck
	Delbert Nelson
	Daniel Orsello

POSITION	NAME
	Sam Roiblat Gentile Yarusso
Stenographer I	Cleo Dockin Barbara Hegdahl Corrinne Heine Betty Lou Messer Nancy Porter Helen Radcliff Colleen Renner Joan Schwartz Iva Severson Antoinette Smith Donna Tillman
Stenographer II	Joyce Christenson Margaret Collins Virginia Engelhard Marcia Farinacci Debra Fastner Elizabeth Fine Karen Henning Margaret Howe Olga Johnson Patricia Ness Rhoda Parker Yvonne Ringgold Laura Selbitschka Anne Steffel Dolores Tautges Sandra Van Wyk Marion Vogel Barbara Westbrook Barbara Young
Third Assistant Secretary of the Senate	Patrice Urman
Word Processing Assistant Supervisor	Lois Meier
Word Processing Supervisor	Mary Turk

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

Mr. Coleman introduced—

Senate Resolution No. 39: A Senate resolution providing for payment of postage for members of the Senate, 1980 Session of the 71st Legislature.

BE IT RESOLVED, by the Senate: That the Secretary of the Senate is authorized to purchase postage to furnish each member

of the Senate 3,000 stamps, and that each member named as chairman of a standing committee in the Senate resolution designating committee assignments, be furnished with an additional 1,000 stamps for the necessary business of such committee; and

That an additional postage allowance of 1,000 stamps is authorized for the Minority Leader of the Minnesota State Senate, 1980 Session, Mr. Ashbach; for the Assistant Majority Leader, 1980 Session, Mr. Hanson; and for the Assistant Minority Leaders of the Minnesota State Senate, 1980 Session, Messrs. Dunn, Jensen, Knutson and Frederick.

Each member of the Senate shall receipt to the Secretary of the Senate for postage so received.

Mr. Coleman moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olson	Solon
Ashbach	Gearty	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	McCutcheon	Renneke	Strand
Brataas	Jensen	Menning	Rued	Stumpf
Chmielewski	Johnson	Merriam	Schaaf	Tennessen
Coleman	Keefe, J.	Moe	Schmitz	Ueland, A.
Davies	Keefe, S.	Nelson	Setzpfandt	Ulland, J.
Dieterich	Kirchner	Nichols	Sieloff	Vega
Dunn	Kleinbaum	Ogdahl	Sikorski	Wegener
Engler	Knaak	Olhoft	Sillers	Willett

The motion prevailed. So the resolution was adopted.

Mr. Coleman introduced—

Senate Resolution No. 40: A Senate resolution relating to expenses of Senate interns.

BE IT RESOLVED, by the Senate: That for the 1980 session of the 71st Legislature, each member of the Senate is entitled to be reimbursed for the cost of meals and transportation furnished by him to any volunteer interns assisting with his work, up to a maximum of \$25 during each week the Legislature is in session.

Requests for reimbursement shall be submitted to the Secretary of the Senate monthly on forms provided for this purpose and shall include a certification by the member that the amounts for which reimbursement is sought have been paid to his interns.

The Secretary of the Senate shall prepare and issue warrants for payment of intern expenses from the Senate Legislative Expense Fund.

Mr. Coleman moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olson	Solon
Ashbach	Gearty	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	McCutcheon	Renneke	Strand
Brataas	Jensen	Menning	Rued	Stumpf
Chmielewski	Johnson	Merriam	Schaaf	Tennessee
Coleman	Keefe, J.	Moe	Schmitz	Ueland, A.
Davies	Keefe, S.	Nelson	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Nichols	Sieloff	Vega
Dunn	Kleinbaum	Ogdahl	Sikorski	Wegener
Engler	Knaak	Olhoff	Sillers	Willet

The motion prevailed. So the resolution was adopted.

Mr. Coleman introduced—

Senate Resolution No. 41: A Senate resolution relating to the appointment of a committee to escort the Governor to the House Chamber for a joint convention.

BE IT RESOLVED, by the Senate: The President of the Senate shall appoint a committee of members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Albert H. Quie, Governor of the state of Minnesota, to the House Chamber on the occasion of the Joint Convention to be convened in the House Chamber at 11:45 a.m. on Thursday, January 24, 1980.

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

Mr. Laufenburger, from the Committee on Mileage, moved to amend the report of the Committee on Mileage found in the Journal for Tuesday, January 23, 1979 on pages 112-114 as follows:

Page 112, delete "Chenoweth, John 16"

Page 113, delete "Lewis, B. Robert 36" "Stokowski, Eugene 24"

Page 112, after "Bang" insert "*Barrette, Emery 5*"

Page 113, after "Staples" insert "*Stern, Irving 36*" "*Stokowski, Anne 24*"

The motion prevailed. So the report was amended.

Mr. Ueland, A. moved that the name of Mr. Penny be added as co-author to S. F. No. 1604. The motion prevailed.

Mr. Keefe, S. moved that the name of Mr. Lewis be stricken as chief author and his name be added as chief author to S. F. No. 330. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 11:30 o'clock a.m., Thursday, January 24, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SIXTY-FIRST DAY**

St. Paul, Minnesota, Thursday, January 24, 1980

The Senate met at 11:30 o'clock a.m. and was called to order by the President.

**CALL OF THE SENATE**

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Frederick	Knoll	Penny	Spear
Ashbach	Gearty	Laufenburger	Peterson	Staples
Bang	Gunderson	Lessard	Pillsbury	Stern
Barrette	Hanson	Luther	Purfeerst	Stokowski
Benedict	Hughes	Menning	Renneke	Strand
Bernhagen	Humphrey	Merriam	Rued	Stumpf
Brataas	Jensen	Moe	Schaaf	Tennessee
Chmielewski	Johnson	Nelson	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nichols	Setzpfandt	Ulland, J.
Dieterich	Kirchner	Ogdahl	Sieloff	Vega
Dunn	Kleinbaum	Olhoff	Sikorski	Wegener
Engler	Knaak	Olson	Sillers	Willett

The Sergeant at Arms was instructed to bring in the absent members.

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

Anderson	Frederick	Knoll	Penny	Spear
Ashbach	Gearty	Knutson	Peterson	Staples
Bang	Gunderson	Laufenburger	Pillsbury	Stern
Barrette	Hanson	Lessard	Purfeerst	Stokowski
Benedict	Hughes	Luther	Renneke	Strand
Bernhagen	Humphrey	Menning	Rued	Stumpf
Brataas	Jensen	Merriam	Schaaf	Tennessee
Chmielewski	Johnson	Moe	Schmitz	Ueland, A.
Coleman	Keefe, J.	Nelson	Setzpfandt	Ulland, J.
Davies	Keefe, S.	Nichols	Sieloff	Vega
Dieterich	Kirchner	Ogdahl	Sikorski	Wegener
Dunn	Kleinbaum	Olhoff	Sillers	Willett
Engler	Knaak	Olson	Solon	

The President declared a quorum present.

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

**MEMBERS EXCUSED**

Mr. Perpich was excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Sillers; Moe; Ueland, A; Hanson and Peterson introduced—

S. F. No. 1618: A bill for an act relating to taxation; authorizing certain taxing districts to provide property tax exemption or abatement for certain new business facilities.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Staples, Messrs. Vega, Bang, Purfeerst and Schaaf introduced—

S. F. No. 1619: A bill for an act relating to the metropolitan transit area; providing for contracts with socially or economically disadvantaged persons and handicapped persons; amending Minnesota Statutes 1978, Chapter 473, by adding a section.

Referred to the Committee on Employment.

Messrs. Solon; Ulland, J. and Chmielewski introduced—

S. F. No. 1620: A resolution memorializing the President and Vice President of the United States, the United States Congress, and the United States Secretary of Defense to select the Duluth Air Force Base as the Space Shuttle Control Center.

Referred to the Committee on Rules and Administration.

Messrs. Peterson, Lessard, Schmitz, Bernhagen and Chmielewski introduced—

S. F. No. 1621: A bill for an act relating to crimes; prescribing penalties for the possession or sale of drug related devices.

Referred to the Committee on Judiciary.

Messrs. Benedict, Tennessen, Pillsbury and Wegener introduced—

S. F. No. 1622: A bill for an act relating to waters; exempting certain watercraft from requirements related to personal safety devices; amending Minnesota Statutes 1978, Section 361.141, Subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Purfeerst, Stern, Kirchner, Vega and Solon introduced—

S. F. No. 1623: A bill for an act relating to transportation;

requiring any public transit system receiving state financial assistance to provide for public transportation to all persons 65 years of age or over; amending Minnesota Statutes 1978, Sections 174.22, by adding a subdivision; 174.23, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 174.23, Subdivision 2; and 473.408, Subdivision 3.

Referred to the Committee on Transportation.

Messrs. Kleinbaum, Lessard, Stern, Penny and Wegener introduced—

S. F. No. 1624: A bill for an act relating to taxation; motor vehicle excise tax; providing that proceeds from the transfer of a motor vehicle shall be deposited in the highway user tax distribution fund for highway purposes; amending Minnesota Statutes 1978, Sections 168.27, Subdivision 16; 297B.035, Subdivision 2; and 297B.09.

Referred to the Committee on Transportation.

Mr. Johnson introduced—

S. F. No. 1625: A bill for an act relating to the town of Greenwood; granting the town the power to specially assess for a bridge improvement.

Referred to the Committee on Local Government.

Mr. Nelson and Mrs. Staples introduced—

S. F. No. 1626: A bill for an act relating to education; providing free tuition at post-secondary vocational-technical schools for certain veterans; amending Minnesota Statutes 1978, Section 124.565, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 124.565, Subdivision 3.

Referred to the Committee on Education.

Mr. Nelson and Mrs. Staples introduced—

S. F. No. 1627: A bill for an act relating to taxation; exempting certain interest income from taxation; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Wegener introduced—

S. F. No. 1628: A bill for an act relating to taxation; motor vehicle excise tax; providing that the proceeds of the tax shall be deposited in the highway user tax distribution fund for highway purposes; amending Minnesota Statutes 1978, Sections 168.27, Subdivision 16; 297B.035, Subdivision 2; and 297B.09.

Referred to the Committee on Transportation.

Mrs. Staples, Messrs. Schaaf, Nelson, Ogdahl and Mrs. Knaak introduced—

S. F. No. 1629: A bill for an act relating to state government; providing for a career part-time employment demonstration project in state government; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Knoll introduced—

S. F. No. 1630: A bill for an act relating to the City of Minneapolis; authorizing the establishment of a detached banking facility.

Referred to the Committee on Commerce.

Messrs. Humphrey and Anderson introduced—

S. F. No. 1631: A bill for an act relating to energy; stating legislative energy policy; establishing a joint legislative committee on energy; providing grants and assistance for community energy planning; modifying certain need certification procedures; allowing certain utility expenses; appropriating money; amending Minnesota Statutes 1978, Sections 116H.01; 216B.16, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Section 116H.13, Subdivisions 3, 5, and 7.

Referred to the Committee on Energy and Housing.

Messrs. Johnson and Willet introduced—

S. F. No. 1632: A bill for an act relating to taxation; income; providing a credit to certain persons for certain motor vehicle fuel costs; amending Minnesota Statutes 1978, Chapter 290, by adding a section.

Referred to the Committee on Taxes and Tax Laws.

Mr. Ueland, A.; Mrs. Knaak; Messrs. Keefe, J.; Chmielewski and Schmitz introduced—

S. F. No. 1633: A bill for an act relating to veterans; modifying the duties, authority and scope of operations of the department of veterans affairs; authorizing the commissioner of veterans affairs to accept uncompensated voluntary services; entitling uncompensated voluntary workers to the benefits of workers' compensation; providing for the appointment of the commissioner of veterans affairs as the guardian of an estate; revising the veterans home eligibility requirements; amending Minnesota Statutes 1978, Sections 196.05; 196.051; 197.06; 198.01; and Minnesota Statutes, 1979 Supplement, Section 176.011, Subdivision 9.

Referred to the Committee on Veterans' Affairs.

Messrs. Schaaf, Anderson, Gearty and Johnson introduced—

S. 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 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; providing state reimbursement for the costs of administration of the election held on the local government election day; superseding certain inconsistent general and special laws and home rule charter provisions; amending Minnesota Statutes 1978, Sections 40.05, Subdivisions 1, 3 and 4; 40.06, Subdivision 1; 122.23, Subdivisions 12, 17 and 18; 122.25, Subdivision 2; 123.12, Subdivision 1; 123.32, Subdivisions 9, 13 and 23; 123.33, Subdivisions 1 and 4; 123.34, Subdivision 1; 123.351, Subdivisions 1 and 3; 123.51; 128.01; 200.02, Subdivisions 1, 24, and by adding subdivisions; 201.061, Subdivision 6; 201.071, Subdivisions 1 and 3, and by adding a subdivision; 202A.26, Subdivision 1; 202A.52; 202A.721, Subdivision 4; 203A.17; 203A.31, Subdivision 1; 203A.32; 204A.05, Subdivision 1; 204A.06, Subdivision 1b, and by adding a subdivision; 204A.09, Subdivision 1; 204A.11, Subdivision 3, and by adding a subdivision; 204A.29; 204A.40, Subdivision 2; 204A.45, Subdivision 1; 204A.47, Subdivision 2; 204A.49, by adding a subdivision; 204A.53, Subdivision 1; 205.01; 205.02; 205.13; 205.14, Subdivisions 1, 2 and 3, and by adding a subdivision; 205.16, Subdivisions 2 and 3; 206.09; 206.21, Subdivision 3; 207.04, Subdivision 1; 207.05, Subdivision 1; 207.085; 207.151; 209.02, Subdivisions 1 and 3; 365.51; 367.33, Subdivision 3, and by adding a subdivision; 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; 412.02, Subdivision 2; 412.021, Subdivision 2; 412.571, Subdivision 5; 447.32, Subdivisions 1 and 2; 487.03, Subdivisions 2 and 5; 488A.021, Subdivision 3; and 488A.19, Subdivision 3; Chapters 204A, by adding a section; 205, by adding sections; and 210A, by adding a section; Minnesota Statutes, 1979 Supplement, Section 204A.51, Subdivision 2; repealing Minnesota Statutes 1978, Sections 123.015; 123.11, Subdivisions 2, 3, 5 and 6; 123.32, Subdivisions 1, 2, 3, 4, 6, 7, 8, 11, 22, 24, 26 and 27; 201.33; 202A.721, Subdivision 5; 205.021; 205.03; 205.07; 205.11; 205.18; 205.19; 205.20; 206.18; 447.32, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Sections 123.11, Subdivision 4; 123.32, Subdivisions 5 and 25; 205.11, Subdivision 4a; and 447.32, Subdivision 4.

Referred to the Committee on Elections.

Messrs. Ogdahl, Schaaf, Nelson and Strand introduced—

S. F. No. 1635: A bill for an act relating to state government; establishing a post retirement investment fund; and appropriating money; amending Minnesota Statutes 1978, Chapter 11, by adding a section; and repealing Minnesota Statutes 1978, Section 11.25.

Referred to the Committee on Governmental Operations.

Messrs. Knoll, Ashbach, Bernhagen, Rued and Barrette introduced—

S. F. No. 1636: A bill for an act relating to state government; requiring certain state-leased space and state agency meetings to be accessible to physically handicapped persons; requiring certain auxiliary aids for physically handicapped participants at state agency meetings; amending Minnesota Statutes 1978, Section 16.85, Subdivisions 1b and 1c; and Chapter 15, by adding a section.

Referred to the Committee on Governmental Operations.

Messrs. Menning; Bernhagen; Ulland, J.; Knoll and Ashbach introduced—

S. F. No. 1637: A bill for an act relating to the state building code; requiring municipalities to enforce certain building requirements related to handicapped persons; amending Minnesota Statutes 1978, Section 16.851, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 16.868.

Referred to the Committee on Energy and Housing.

Messrs. Ogdahl, Anderson, Pillsbury and Moe introduced—

S. F. No. 1638: A bill for an act relating to economic development; regulating the development revolving fund; amending Minnesota Statutes 1978, Section 472.13, Subdivision 1.

Referred to the Committee on Finance.

Messrs. Ogdahl, Anderson, Pillsbury and Moe introduced—

S. F. No. 1639: A bill for an act relating to state government; providing for a cafeteria operation revolving fund for certain cafeterias; appropriating money; amending Minnesota Statutes 1978, Chapter 16, by adding a section.

Referred to the Committee on Governmental Operations.

Messrs. Ashbach, Rued, Jensen, Kirchner and Johnson introduced—

S. F. No. 1640: A bill for an act relating to taxation; sales tax; exempting sales of certain woodburning appliances; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

Referred to the Committee on Energy and Housing.

Messrs. Kirchner, Purfeerst, Schmitz, Frederick and Engler introduced—

S. F. No. 1641: A bill for an act relating to drivers licenses; increasing fees for renewal of motorized bicycle operator permits and fees for drivers licenses; establishing a fee for the Minnesota iden-

tification card; providing for uniform application fees; amending Minnesota Statutes 1978, Sections 171.06, Subdivisions 1, 2, and 4; 171.07, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Section 171.02, Subdivision 3.

Referred to the Committee on Transportation.

Mr. Merriam introduced—

S. F. No. 1642: A bill for an act relating to courts; reducing fees for copies of certain documents; amending Minnesota Statutes 1978, Section 357.021, Subdivision 2.

Referred to the Committee on Judiciary.

Mr. Davies introduced—

S. F. No. 1643: A bill for an act relating to probate; requiring certain additional accounting by guardians and conservators; amending Minnesota Statutes 1978, Section 525.58.

Referred to the Committee on Judiciary.

Mr. Davies introduced—

S. F. No. 1644: A bill for an act relating to eminent domain; providing for the taking of possession and title by the petitioner under certain circumstances; providing that certain payments deposited with the court shall be paid out under direction of the court; amending Minnesota Statutes 1978, Section 117.042.

Referred to the Committee on Judiciary.

Mr. Davies introduced—

S. F. No. 1645: A bill for an act relating to courts; providing for distribution of rules proposed by the supreme court; amending Minnesota Statutes 1978, Section 480.054.

Referred to the Committee on Judiciary.

Mr. Davies introduced—

S. F. No. 1646: A bill for an act relating to executions; providing that issuance of an execution may be made without docketing of the judgment in the county where the money or personal property is owed to the judgment debtor by a third party; amending Minnesota Statutes 1978, Section 550.07.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S. F. No. 1647: A bill for an act relating to insurance; regulating

automobile insurance renewal, issuance, and rates; amending Minnesota Statutes 1978, Chapter 65B, by adding a section.

Referred to the Committee on Commerce.

Messrs. Dunn, Merriam, Wegener, Bernhagen and Pillsbury introduced—

S. F. No. 1648: A bill for an act relating to taxation; real property; eliminating tax recapture upon certain sales of qualifying agricultural property; amending Minnesota Statutes 1978, Section 273.111, Subdivision 9, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Gunderson, Strand and Nichols introduced—

S. F. No. 1649: A bill for an act relating to agriculture; providing for testing to measure milk protein; providing for payments for milk protein and nonfat solids; amending Minnesota Statutes 1978, Section 32.25, Subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Knutson introduced—

S. F. No. 1650: A bill for an act relating to crimes; prescribing penalties for the possession or sale of drug related devices.

Referred to the Committee on Judiciary.

Messrs. Hanson, Coleman, Schaaf, Nelson and Ashbach introduced—

S. F. No. 1651: A bill for an act relating to education; providing for the negotiation and arbitration of collective bargaining agreements between the exclusive representatives and the employers of teachers; extending the applicability of certain sections of PELRA; amending Minnesota Statutes 1978, Sections 179.61; 179.62; 179.63, Subdivisions 1 and 4; 179.64, Subdivision 1; 179.65, Subdivision 1; 179.66, Subdivisions 5, 6 and 9; 179.67, Subdivision 1; 179.68; 179.71, Subdivisions 2, 4 and 5; and 179.74, Subdivision 2; and Chapter 179, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 179.64, Subdivision 7; 179.65, Subdivision 6; and 179.74, Subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Merriam, Penny, Tennessen, Mrs. Knaak and Mr. Davies introduced—

S. F. No. 1652: A bill for an act relating to crimes; prescribing penalties for the possession of controlled substances on school

premises; amending Minnesota Statutes 1978, Section 152.15, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Merriam, Kleinbaum, Peterson, Sieloff and Sillers introduced—

S. F. No. 1653: A bill for an act relating to education; providing individualized instructional materials to nonpublic school pupils; increasing the amount which may be spent for certain materials provided to nonpublic school pupils; amending Minnesota Statutes 1978, Sections 123.932, by adding a subdivision; and 123.933.

Referred to the Committee on Education.

Mr. Solon introduced—

S. F. No. 1654: A bill for an act relating to the office of secretary of state; adjusting certain fees collected by that office; making them more uniform; amending Minnesota Statutes 1978, Sections 47.16; 53.01; 221.67; 303.13, Subdivision 1; 308.060, Subdivision 4; 317.04, Subdivision 3; 317.67; 540.152; and 543.08.

Referred to the Committee on Commerce.

Mr. Kleinbaum introduced—

S. F. No. 1655: A bill for an act relating to education; permitting certain previous nonresident students to be treated as resident students in their district of attendance; amending Minnesota Statutes, 1979 Supplement, Section 120.075, Subdivision 4, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Benedict introduced—

S. F. No. 1656: A bill for an act relating to food; exempting certain donors of food from civil and criminal liability in certain circumstances.

Referred to the Committee on Judiciary.

Messrs. Spear, Johnson and Merriam introduced—

S. F. No. 1657: A bill for an act relating to unemployment compensation; regulating benefits for voluntary quitters; amending Minnesota Statutes, 1979 Supplement, Section 268.09, Subdivision 1.

Referred to the Committee on Employment.

Messrs. Spear, Tennesen and Keefe, S. introduced—

S. F. No. 1658: A bill for an act relating to intoxicating liquor;

permitting holders of on-sale wine licenses to sell intoxicating malt beverages; amending Minnesota Statutes 1978, Section 340.11, Subdivision 20.

Referred to the Committee on Commerce.

Messrs. Spear, Tennesen and Keefe, S. introduced—

S. F. No. 1659: A bill for an act relating to intoxicating liquor; permitting municipalities to authorize the sale of intoxicating liquor at arenas and sports complexes in certain cases; amending Minnesota Statutes 1978, Section 340.11, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Spear and Tennesen introduced—

S. F. No. 1660: A bill for an act relating to intoxicating liquor; permitting sales on statewide election days; providing for uniform hours of off-sale statewide; prohibiting off-sale on certain holidays; amending Minnesota Statutes 1978, Section 340.14, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Spear, Tennesen and Keefe, S. introduced—

S. F. No. 1661: A bill for an act relating to intoxicating liquor; removing limitations on the number of on-sale licenses which cities may issue; permitting counties and cities to set off-sale license fees; amending Minnesota Statutes 1978, Sections 340.11, Subdivisions 3a, 5a, 7a, 10a, 13, 14, and 20; 340.353, Subdivision 5; Minnesota Statutes, 1979 Supplement, Section 340.11, Subdivisions 11 and 11b; and repealing Minnesota Statutes 1978, Section 340.11, Subdivisions 8 and 18.

Referred to the Committee on Commerce.

Messrs. Spear and Keefe, S. introduced—

S. F. No. 1662: A bill for an act relating to intoxicating liquor; authorizing holders of off-sale licenses to dispense samples of wine; amending Minnesota Statutes 1978, Section 340.11, Subdivision 15.

Referred to the Committee on Commerce.

Messrs. Schaaf; Johnson; Keefe, S.; Ueland, A. and Gearty introduced—

S. F. No. 1663: A bill for an act relating to elections; requiring recounts of elections on county, municipal, school district and special purpose district ballot questions under certain conditions; providing for notice of recounts and for opening recounts to the public; amending Minnesota Statutes 1978, Section 123.32, by

adding a subdivision; Chapter 204A, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 123.32, Subdivision 8a and 204A.515.

Referred to the Committee on Elections.

Messrs. Dieterich, Davies, Bernhagen, Hanson and Sikorski introduced—

S. F. No. 1664: A bill for an act relating to courts; conforming provisions of law to reflect the abolishment of the office of justice of peace; amending Minnesota Statutes 1978, Sections 37.23; 88.78; 97.50, Subdivision 1; 127.09; 168.46; 169.965, Subdivision 3; 169.966, Subdivision 3; 171.08; 171.16, Subdivision 1; 171.30, Subdivision 1; 219.97, Subdivision 13; 290.58; 297A.42, Subdivision 2; 299D.03, Subdivision 5; 299F.40, Subdivision 5; 332.37; 340.85, Subdivision 2; 340.91; 345.02; 345.03; 345.14; 346.03; 346.04; 346.05; 346.09, Subdivision 1; 347.04; 347.05; 347.06; 351.03; 358.15; 359.061; 359.11; 361.27, Subdivision 2; 365.52; 366.20; 367.11; 367.25, Subdivision 1; 368.01, Subdivision 20; 373.09; 375.24; 390.15; 390.20; 390.32, Subdivisions 4 and 9; 390.33, Subdivisions 2, 3, 4, 5, 6, and 7; 395.23; 412.02, Subdivision 1; 412.021, Subdivision 2; 412.023, Subdivision 5; 412.111; 412.861, Subdivisions 1 and 3; 473.608, Subdivision 17; 488A.021, Subdivision 4; 488A.09, Subdivision 7; 488A.19, Subdivision 5; 490.18; 514.29; 514.34; 550.17; 566.05; 566.07; 566.08; 566.09; 566.10; 566.11; 566.12; 566.15; 566.16; 574.18; 574.20; 609.135, Subdivision 1; 609.415, Subdivision 1; 617.27; 626.04; 626.05, Subdivision 1; 626.06; 626.09; 626.14; 626.15; 626.17; 629.41; 630.17; 643.01; 643.13; and 648.39, Subdivision 3; Minnesota Statutes, 1979 Supplement, Section 626.11; repealing Minnesota Statutes 1978, Sections 357.14; 357.15; 367.03, Subdivision 4; 367.21; 388.02; 412.02, Subdivision 5; 412.171; 487.36; 492.02, Subdivision 2; 542.15; 549.16; 574.35; 599.21; 609.46; 629.66; and Chapter 625.

Referred to the Committee on Judiciary.

Messrs. Knoll, Ashbach, Kirchner, Nichols and Sillers introduced—

S. F. No. 1665: A bill for an act relating to public contracts; providing for progress payments; authorizing alternative means of securing full performance; amending Minnesota Statutes 1978, Sections 161.322; 162.04; 162.10; and 429.041, Subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Merriam, Dieterich, Hughes, Dunn and Anderson introduced—

S. F. No. 1666: A bill for an act relating to education; eliminating the requirement that school districts make referendum levies in order to qualify to make certain discretionary levies; amending

Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 7a.

Referred to the Committee on Education.

Mr. Knutson, Mrs. Knaak, Messrs. Solon, Gunderson and Mrs. Brataas introduced—

S. F. No. 1667: A bill for an act relating to health; authorizing the commissioner of health to investigate complaints under certain circumstances; amending Minnesota Statutes 1978, Section 214.13, by adding subdivisions.

Referred to the Committee on Governmental Operations.

Mrs. Staples, Mr. Knutson, Mrs. Knaak, Mr. Solon and Mrs. Brataas introduced—

S. F. No. 1668: A bill for an act relating to health care; further defining "qualified expense" as it relates to catastrophic health expense protection; amending Minnesota Statutes 1978, Section 62E.52, Subdivision 3.

Referred to the Committee on Commerce.

Messrs. Penny and Stern introduced—

S. F. No. 1669: A bill for an act relating to public finance; authorizing the issuance of Minnesota state railroad assistance bonds; appropriating money; amending Minnesota Statutes 1978, Chapter 222, by adding a section.

Referred to the Committee on Transportation.

Messrs. Humphrey, Sillers, Anderson and Knoll introduced—

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; reimbursing counties; appropriating money.

Referred to the Committee on Energy and Housing.

#### MOTIONS AND RESOLUTIONS

Mr. Stern moved that the name of Mr. Lewis be stricken as chief author and his name be added as chief author to S. F. No. 1021. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Moe, Anderson and Dunn be added as co-authors to S. F. No. 1459. The motion prevailed.

Mr. Ueland, A. moved that the name of Mr. Purfeerst be added as co-author to S. F. No. 1604. The motion prevailed.

Mr. Ashbach moved that the name of Mrs. Brataas be added as co-author to S. F. No. 1605. The motion prevailed.

Mr. Schaaf moved that the names of Messrs. Ogdahl and Peterson be added as co-authors to S. F. No. 1607. The motion prevailed.

Mr. Solon moved that the name of Mr. Johnson be added as co-author to S. F. No. 1620. The motion prevailed.

Mr. Schaaf moved that S. F. No. 1157 be taken from the table and referred to the Committee on Elections. The motion prevailed.

#### APPOINTMENTS

Pursuant to Senate Resolution No. 41 adopted by the Senate January 22, 1980, the President appointed the following committee to escort the Honorable Albert H. Quie, Governor of the State of Minnesota, to the Joint Convention:

Messrs. Kleinbaum; Ueland, A.; Stern; Mrs. Stokowski and Mr. Barrette.

#### RECESS

Mr. Coleman moved that the Senate do now recess until after the conclusion of the Joint Convention. The motion prevailed.

The Senate reconvened at the appointed time.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Hanson moved that the Senate do now adjourn until 9:45 o'clock a.m., Monday, January 28, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SIXTY-SECOND DAY

St. Paul, Minnesota, Monday, January 28, 1980

The Senate met at 9:45 o'clock a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Hanson imposed a call of the Senate. The following Senators answered to their names:

Anderson	Frederick	Lessard	Peterson	Sillers
Ashbach	Gearty	Luther	Pillsbury	Spear
Barrette	Gunderson	McCutcheon	Purfeerst	Staples
Benedict	Hanson	Merriam	Renneke	Stokowski
Bernhagen	Hughes	Moe	Rued	Strand
Brataas	Jensen	Nelson	Schaaf	Tennessee
Chmielewski	Johnson	Ogdahl	Schmitz	Vega
Davies	Keefe, S.	Olhoft	Setzepfandt	
Dunn	Knaak	Olson	Sieloff	
Engler	Knutson	Penny	Sikorski	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Winfield V. Johnson.

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

Anderson	Gearty	Lessard	Peterson	Staples
Ashbach	Gunderson	Luther	Pillsbury	Stern
Barrette	Hanson	McCutcheon	Purfeerst	Stokowski
Benedict	Hughes	Merriam	Renneke	Strand
Bernhagen	Jensen	Moe	Rued	Stumpf
Brataas	Johnson	Nelson	Schaaf	Tennessee
Chmielewski	Keefe, J.	Nichols	Schmitz	Ulland, J.
Davies	Keefe, S.	Ogdahl	Setzepfandt	Vega
Dieterich	Kirchner	Olhoft	Sieloff	Wegener
Dunn	Knaak	Olson	Sikorski	Willet
Engler	Knutson	Penny	Sillers	
Frederick	Laufenburger	Perpich	Spear	

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Bang, Humphrey, Kleinbaum, Knoll, Menning, Solon and Ueland, A. were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Lessard introduced—

S. F. No. 1671: A bill for an act relating to retirement; granting survivor benefits to a certain surviving spouse of a deceased member of the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S. F. No. 1672: A bill for an act relating to taxation; including tax levies to pay certain local election expenses within definition of special levies; amending Minnesota Statutes, 1979 Supplement, Section 275.50, Subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson introduced—

S. F. No. 1673: A bill for an act relating to game and fish; increasing the period of ineligibility for successful applicants for moose or wild turkey licenses; amending Minnesota Statutes, 1979 Supplement, Section 100.271, Subdivision 3a.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Laufenburger introduced—

S. F. No. 1674: A bill for an act relating to labor; exempting seamen from the fair labor standards act; amending Minnesota Statutes, 1979 Supplement, Section 177.23, Subdivision 7.

Referred to the Committee on Employment.

Messrs. Peterson, Moe, Sillers, Olhoft and Hanson introduced—

S. F. No. 1675: A bill for an act relating to taxation; clarifying the provisions of the wetland credit for property tax purposes; amending Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivisions 2 and 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, Olhoft, Sillers, Hanson and Nichols introduced—

S. F. No. 1676: A bill for an act relating to taxation; providing an income tax credit for wages paid to certain disadvantaged

employees; amending Minnesota Statutes 1978, Section 290.06, by adding a subdivision.

Referred to the Committee on Employment.

Messrs. Tennesen, Stumpf, McCutcheon, Moe and Keefe, J. introduced—

S. F. No. 1677: A bill for an act relating to landlords and tenants; clarifying certain duties of landlords and tenants in relation to the return of security deposits; amending Minnesota Statutes 1978, Section 504.20, Subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Tennesen, Moe, McCutcheon, Dunn and Davies introduced—

S. F. No. 1678: A bill for an act relating to corrections; requiring expiration of the sentencing guidelines commission four years after its establishment; amending Minnesota Statutes 1978, Section 244.09, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Laufenburger, Engler, Setzepfandt, Kirchner and Purfeerst introduced—

S. F. No. 1679: A bill for an act relating to transportation; permitting certain exemptions from motor carrier reporting requirements; permitting establishment of driver qualifications and safety requirements for certain carriers; creating a single annual renewal date for holders of multiple permits; permitting issuance of "floater" identification cards to motor carriers; clarifying enforcement powers; amending Minnesota Statutes 1978, Sections 221.031; 221.131; and 221.221.

Referred to the Committee on Transportation. Mr. Tennesen questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Laufenburger, Engler, Setzepfandt, Kirchner and Purfeerst introduced—

S. F. No. 1680: A bill for an act relating to motor vehicles; setting due dates for installment payments of motor vehicle registration taxes; extending the coroner's reporting time of deaths resulting from motor vehicle accidents; authorizing the use of accident reports by certain agencies for accident analysis purposes; requiring bumpers on certain motor vehicles, and requiring rear rigid safeguards on certain trucks, trailers and semi-trailers; amending Minnesota Statutes 1978, Sections 168.31, Subdivision 4; 169.09, Subdivisions 11 and 13, and 169.73, Subdivision 2;

repealing Minnesota Statutes 1978, Section 169.73, Subdivisions 1, 3, 4 and 5.

Referred to the Committee on Transportation.

Messrs. Willet, Penny, Peterson, Johnson and Lessard introduced—

S. F. No. 1681: A bill for an act relating to transportation; providing for a travel information franchise program and prescribing the powers and duties of the commissioner of transportation in relation thereto; amending Minnesota Statutes 1978, Sections 160.08, Subdivision 7; 161.23, Subdivision 3; 161.433, Subdivision 2; and 161.434.

Referred to the Committee on Transportation.

Messrs. Ulland, J.; Bang; Solon; Laufenburger and Spear introduced—

S. F. No. 1682: A bill for an act relating to insurance; requiring the issuance of temporary licenses to certain qualified persons; amending Minnesota Statutes 1978, Section 60A.17, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Kirchner, Gearty, Mrs. Knaak, Messrs. Hughes and Dunn introduced—

S. F. No. 1683: A bill for an act relating to state government; providing for certain historical memorials; providing an appropriation.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Moe introduced—

S. F. No. 1684: A bill for an act relating to agriculture; providing for inspection and certification of grain moisture measuring devices and their operators.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Willet, Johnson, Luther, Merriam and Dunn introduced—

S. F. No. 1685: A bill for an act relating to pollution; recognizing the extent and severity of the problem of acid precipitation; appropriating funds and designating state agencies and departments to conduct activities designed to identify, control and abate acid precipitation.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Olhoft and Strand introduced—

S. F. No. 1686: A bill for an act relating to courts; providing for elections in a county court district.

Referred to the Committee on Judiciary.

Messrs. Humphrey, Solon, Knoll and Anderson introduced—

S. F. No. 1687: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; reimbursing counties; providing remedies for tenants whose landlords have not made required energy improvements; providing income tax credits for certain conservation expenditures; providing certain income tax exemptions; extending tax credits for investments in alternative energy systems; appropriating money; amending Minnesota Statutes 1978, Section 290.06, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; and 290.06, Subdivision 14.

Referred to the Committee on Energy and Housing.

Messrs. Tennesen, McCutcheon, Merriam and Keefe, J. introduced—

S. F. No. 1688: A bill for an act relating to corrections; classifying investigative data; amending Minnesota Statutes 1978, Section 241.06.

Referred to the Committee on Judiciary.

Messrs. Wegener, Lessard, Dunn and Hanson introduced—

S. F. No. 1689: A bill for an act relating to eminent domain; requiring petitioners to reimburse owners for costs and disbursements, including attorney, appraisal and engineering fees, when an eminent domain award exceeds the last offer of the petitioner by a certain percent; amending Minnesota Statutes 1978, Section 117.115, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Knutson, Moe and Ashbach introduced—

S. F. No. 1690: A bill for an act relating to state departments; providing for the creation of a state employee assistance program in the department of administration; amending Minnesota Statutes 1978, Section 16.02, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Spear, Mrs. Staples, Mr. Barrette, Mrs. Knaak and Mr. Knutson introduced—

S. F. No. 1691: A bill for an act relating to children; requiring reports of neglect and sexual abuse of children; amending Minnesota Statutes, 1979 Supplement, Section 626.566, Subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Nelson and Penny introduced—

S. F. No. 1692: A bill for an act relating to transportation; providing for maintenance of railroad crossings; providing a penalty; appropriating money; amending Minnesota Statutes 1978, Sections 219.403; 219.42; and Chapter 219, by adding a section.

Referred to the Committee on Transportation.

Messrs. Peterson, Strand, Schmitz, Renneke and Ogdahl introduced—

S. F. No. 1693: A bill for an act relating to retirement; financing and amounts of pensions for volunteer firefighters; amending Minnesota Statutes, 1979 Supplement, Sections 69.772, Subdivision 2a; and 424A.02, Subdivisions 3, 7, 9, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Peterson, Strand, Schmitz, Renneke and Ogdahl introduced—

S. F. No. 1694: A bill for an act relating to retirement; providing a post retirement adjustment to certain omitted recipients; amending Laws 1979, Chapter 293, Section 10, Subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Davies, Johnson, Bang and Ashbach introduced—

S. F. No. 1695: A bill for an act relating to no-fault automobile insurance; increasing the weekly maximum for disability and income loss benefits, survivor's economic loss benefits, and survivor's replacement services loss; amending Minnesota Statutes 1978, Section 65B.44, Subdivisions 6 and 7; and Minnesota Statutes, 1979 Supplement, Section 65B.44, Subdivision 3.

Referred to the Committee on Commerce.

Messrs. Davies, Coleman, Gearty and Ashbach introduced—

S. F. No. 1696: A bill for an act relating to the legislature; proposing an amendment to Article IV, Section 23 of the Minnesota Constitution; extending the ordinary period for the governor

to consider vetoing a bill; providing for a simplified veto process; providing for a "veto session" of the legislature at which it may consider overriding a governor's veto of a bill returned after the legislature's adjournment.

Referred to the Committee on Governmental Operations.

Messrs. Davies, Bang, Laufenburger and Tennesen introduced—

S. F. No. 1697: A bill for an act relating to insurance; broadening the conversion privilege on group life insurance; amending Minnesota Statutes 1978, Section 61A.09, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Davies, Bang, Laufenburger and Johnson introduced—

S. F. No. 1698: A bill for an act relating to insurance; establishing tort threshold limitations on uninsured motorist coverage for motor vehicles; amending Minnesota Statutes 1978, Section 65B.49, Subdivision 4.

Referred to the Committee on Commerce.

Messrs. Davies, Bang, Laufenburger and Johnson introduced—

S. F. No. 1699: A bill for an act relating to no-fault automobile insurance; prohibiting certain short-term insurance policies; coordinating reparation benefits; coordinating benefits with medicare and medical assistance; extending eligibility for the assigned claims plan; amending Minnesota Statutes 1978, Sections 65B.49, by adding subdivisions; 65B.61, Subdivisions 1 and 2; 65B.64, Subdivision 1; and Minnesota Statutes, 1979 Supplement, Section 65B.61, Subdivision 3.

Referred to the Committee on Commerce.

Messrs. Davies, Bang, Laufenburger and Johnson introduced—

S. F. No. 1700: A bill for an act relating to insurance; regulating suicide provisions in life insurance contracts; amending Minnesota Statutes 1978, Chapter 61A, by adding a section.

Referred to the Committee on Commerce.

Mr. Davies introduced—

S. F. No. 1701: A bill for an act relating to insurance; providing for allocation of certain automobile insurance benefits; appropriating money; amending Minnesota Statutes 1978, Section 65B.49, Subdivision 3; and Chapter 65B, by adding sections; repealing Minnesota Statutes 1978, Section 65B.53, Subdivision 4; and

Minnesota Statutes, 1979 Supplement, Section 65B.53, Subdivision 1.

Referred to the Committee on Commerce.

Mr. Davies introduced—

S. F. No. 1702: A bill for an act relating to education; creating a Hubert H. Humphrey School of Public Affairs Endowment Fund; requiring the deposit of money into the fund; restricting the purposes for which money from the fund can be used; appropriating money.

Referred to the Committee on Education.

Messrs. Kleinbaum, Penny, Ashbach, Johnson and Bang introduced—

S. F. No. 1703: A bill for an act relating to motor vehicles; providing for delivery of motor vehicle certificates of title to owners upon satisfaction of a security interest; amending Minnesota Statutes 1978, Section 168A.20, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Schaaf, Bang and Purfeerst introduced—

S. F. No. 1704: A bill for an act relating to motor vehicle carriers; defining courier services carrier; providing the procedures for granting permits to courier services carriers; excluding courier service carriers from the term regular route common carrier; amending Minnesota Statutes 1978, Sections 221.011, Subdivision 9, and by adding a subdivision; and 221.121, by adding a subdivision.

Referred to the Committee on Transportation. Mr. Tennesen questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Dieterich, Strand, Sieloff, Spear and Olson introduced—

S. F. No. 1705: A bill for an act relating to workers' compensation; creating a small claims division within the workers' compensation division of the department of labor and industry.

Referred to the Committee on Employment.

Messrs. Peterson, Strand, Gunderson, Ogdahl and Setzepfandt introduced—

S. F. No. 1706: A bill for an act establishing the Minnesota small business conference; providing for its organization, meetings and procedures; appropriating money.

Referred to the Committee on Employment.

Messrs. Dunn, Willet, Rued, Setzepfandt and Renneke introduced—

S. F. No. 1707: A bill for an act relating to towns; requiring a majority of voters to permit town zoning; requiring notice of changes; amending Minnesota Statutes 1978, Sections 366.12 and 366.15.

Referred to the Committee on Local Government.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

May 1, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Cable Communications Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Jack W. Carlson, 10219 Scarborough Road, Bloomington, Hennepin County, has been appointed by me, effective May 1, 1979, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Commerce.)

May 1, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Public Safety is hereby respectfully submitted to the Senate for confirmation as required by law:

John P. Sopsic, 13915 Galway Court, Apple Valley, Dakota County, has been appointed by me, effective May 14, 1979, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on General Legislation and Administrative Rules.)

August 13, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Council on Quality Educa-

tion is hereby respectfully submitted to the Senate for confirmation as required by law:

Lucille E. Lackore, Glenhaven, RR 2, Winona, Winona County, has been appointed by me, effective August 20, 1979, for a term expiring January 7, 1980.

(Referred to the Committee on Education.)

December 26, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Crime Victims Reparations Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Dr. Johanna B. Miller, 2909 Drew Avenue South, Minneapolis, Hennepin County, has been appointed by me, effective January 7, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Judiciary.)

December 26, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Housing Finance Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Shirley Van Dyck, Route 2, Box 30, Cass Lake, Cass County, has been appointed by me, effective January 7, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Energy and Housing.)

Sincerely,  
Albert H. Quie, Governor

#### MESSAGES FROM THE HOUSE

Mr. President:

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

S. F. No. 1128: A bill for an act relating to retirement; increasing employee contributions to local police and firefighters relief associations; providing for a study of police and firefighter relief

associations; amending Minnesota Statutes 1978, Section 69.77, Subdivision 2.

Senate File No. 1128 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1979

Mr. Ogdahl moved that S. F. No. 1128 be laid on the table. The motion prevailed.

Mr. President:

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

S. F. No. 960: A bill for an act relating to retirement; various retirement funds; providing for a proportionate annuity at age 65 or older with one year of service; increasing the maximum earnings amount for a re-employed annuitant; clarifying applications for refunds from the Minnesota state retirement system; providing an occupational disability benefit in the Minnesota state retirement system correctional employees retirement plan; establishing qualifications for the executive director of the teachers retirement association; requiring annuitants and benefit recipients of the teachers retirement association to file quarterly evidence of receipt cards; removing the requirement for dependency for entitlement to certain refunds from the teachers retirement association; clarifying the amortization obligation of the metropolitan transit commission to the Minnesota state retirement system; calculating service credit for certain part time transit operating division employees covered by the Minnesota state retirement system; clarifying the provision of minimum disability coverage by the metropolitan transit commission; providing a retirement annuity from the Minnesota state retirement system to certain former transit operating division employees; providing for a purchase of service credit of certain military service leaves of absence for transit operating division employees; amending Minnesota Statutes 1978, Sections 352.01, Subdivisions 11 and 16; 352.115, Subdivision 10; 352.22, Subdivisions 1 and 10; 352.95; 353.37, Subdivision 1; 354.05, Subdivision 2; 354.06, Subdivision 2; 354.44, Subdivisions 1a, 5 and by adding a subdivision; 354.47, Subdivision 1; 354A.21; 356.32, Subdivision 1; 473.417; 473.418; and Laws 1978, Chapter 538, Section 21; repealing Minnesota Statutes 1978, Section 352.22, Subdivision 11.

Senate File No. 960 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1979

Mr. Strand moved that S. F. No. 960 be laid on the table. The motion prevailed.

## REPORTS OF COMMITTEES

Mr. Hanson moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; reimbursing counties; appropriating money.

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

Page 4, after line 24, insert:

*"Grants shall not be considered as income or resources under any other public or publicly assisted income tested program."*

Pages 5 and 6, delete section 7 and insert:

*"Sec. 7. Minnesota Statutes 1978, Section 462A.21, is amended by adding a subdivision to read:*

*Subd. 4g. It may make grants to assist in energy conservation rehabilitation measures for existing housing owned by households which are eligible recipients of emergency residential heating grants pursuant to this act, and who are referred to the housing finance agency by a community action agency or other appropriate administering entity. Grants may not exceed \$2,000.*

*To be eligible for an emergency energy conservation grant, an applicant must demonstrate that his projected annual heating cost for fiscal year 1980 exceeds \$1,200. During subsequent fiscal years, this fuel cost limit shall be equal to 120 percent of the average household fuel cost as projected by the energy agency. Projected heating costs shall be determined by multiplying energy consumption during the immediately preceding fiscal year by projected costs for the appropriate fuel type as published by the energy agency. The energy conservation rehabilitation measures may include: ceiling insulation, storm windows and doors, furnaces, weatherstripping and caulking and directly related repairs. The entity designated to administer this program shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs which finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other housing finance agency loan or grant programs.*

*Except as otherwise provided in this act, grants from the emergency energy conservation grant fund shall be made in the same manner and pursuant to the same procedures provided for*

*the home improvement grant fund, administered pursuant to section 462A.05, subdivision 15. Such grants shall not be subject to the repayment provisions of section 462A.21, subdivision 4a. Grants may be made without regard to any housing finance agency allocation formula."*

Page 7, line 14, delete "\$3,000,000" and insert "\$5,000,000"

Page 7, line 25, delete "year" and insert "years"

Page 7, line 25, after "1980" insert "and 1981"

Underline all new language in the bill

Amend the title as follows:

Page 1, line 5, before the period insert " ; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision"

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

#### MOTIONS AND RESOLUTIONS

Mr. Solon moved that the name of Mr. Spear be added as co-author to S. F. No. 1603. The motion prevailed.

Mr. Kleinbaum moved that the name of Mr. Merriam be added as co-author to S. F. No. 1655. The motion prevailed.

Mr. Penny moved that the names of Messrs. Strand and Kleinbaum be added as co-authors to S. F. No. 1669. The motion prevailed.

Mr. Nelson moved that the name of Mr. Johnson be added as co-author to S. F. No. 1627. The motion prevailed.

Mr. Ogdahl moved that S. F. No. 1128 be taken from the table. The motion prevailed.

#### CONCURRENCE AND REPASSAGE

Mr. Ogdahl moved that the Senate concur in the amendments by the House to S. F. No. 1128 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1128: A bill for an act relating to retirement; increasing employee contributions to local police and firefighters relief associations; providing for a study of police and firefighter relief associations; providing an exception from an increase in the minimum member contribution rate for the Austin police and firefighters relief associations; amending Minnesota Statutes 1978, Section 69.77, Subdivision 2; Laws 1973, Chapter 432, Sections 2, by adding a subdivision; 3, Subdivision 1; and 6, Subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Gearty	Luther	Pillsbury	Stern
Ashbach	Gunderson	McCutcheon	Purfeerst	Stokowski
Barrette	Hanson	Merriam	Renneke	Strand
Benedict	Hughes	Moe	Rued	Stumpf
Bernhagen	Jensen	Nelson	Schaaf	Tennessee
Brataas	Johnson	Nichols	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Ogdahl	Setzefandt	Vega
Davies	Keefe, S.	Olhoff	Sieloff	Wegener
Dieterich	Kirchner	Olson	Sikorski	Willet
Dunn	Knaak	Penny	Sillers	
Engler	Laufenburger	Perpich	Spear	
Frederick	Lessard	Peterson	Staples	

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Strand moved that S. F. No. 960 be taken from the table. The motion prevailed.

#### CONCURRENCE AND REPASSAGE

Mr. Strand moved that the Senate concur in the amendments by the House to S. F. No. 960 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 960: A bill for an act relating to retirement; various retirement funds; providing for a proportionate annuity at age 65 or older with one year of service; indexing the re-employed annuitant earnings maximum to the social security benefit recipient earnings maximum; clarifying applications for refunds from the Minnesota state retirement system; providing an occupational disability benefit in the Minnesota state retirement system correctional employees retirement plan; establishing qualifications for the executive director of the teachers retirement association; requiring annuitants and benefit recipients of the teachers retirement association to file quarterly evidence of receipt cards; removing the requirement for dependency for entitlement to certain refunds from the teachers retirement association; clarifying the amortization obligation of the metropolitan transit commission to the Minnesota state retirement system; calculating service credit for certain part time transit operating division employees covered by the Minnesota state retirement system; clarifying the provision of minimum disability coverage by the metropolitan transit commission; providing a retirement annuity from the Minnesota state retirement system to certain former transit operating division employees; providing for a purchase of service credit of certain military service leaves of absence for transit operating division employees; amending Minnesota Statutes 1978, Sections 352.01, Subdivisions 11 and 16; 352.115, Subdivision 10; 352.22,

Subdivisions 1 and 10; 352.95; 353.37, Subdivision 1; 354.05, Subdivision 2; 354.06, Subdivision 2; 354.44, Subdivisions 1a, 5 and by adding a subdivision; 354.47, Subdivision 1; 354A.21; 356.32, Subdivision 1; 473.417; 473.418; and Laws 1978, Chapter 538, Section 21; repealing Minnesota Statutes 1978, Section 352.22, Subdivision 11; and Laws 1978, Chapter 562, Section 35.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 41 and nays 15, as follows:

Those who voted in the affirmative were:

Benedict	Gunderson	Nelson	Schmitz	Tennessee
Bernhagen	Hanson	Nichols	Setzepfandt	Ulland, J.
Brataas	Hughes	Olhoft	Sikorski	Vega
Chmielewski	Jensen	Olson	Sillers	Wegener
Davies	Keefe, J.	Perpich	Spear	Willet
Dieterich	Kirchner	Peterson	Staples	
Dunn	Lessard	Renneke	Stern	
Engler	Luther	Rued	Strand	
Frederick	Moe	Schaaf	Stumpf	

Those who voted in the negative were:

Anderson	Johnson	Laufenburger	Ogdahl	Purfeerst
Barrette	Keefe, S.	McCutcheon	Penny	Sieloff
Gearty	Knaak	Merriam	Pillsbury	Stokowski

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Hanson moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, January 31, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

### SIXTY-THIRD DAY

St. Paul, Minnesota, Thursday, January 31, 1980

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

#### CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	McCutcheon	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Rued	Strand
Brataas	Jensen	Moe	Schaaf	Ueland, A.
Chmielewski	Johnson	Nelson	Schmitz	Vega
Coleman	Keefe, J.	Nichols	Setzepfandt	Wegener
Dunn	Keefe, S.	Ogdahl	Sieloff	Willet
Engler	Kirchner	Olhoff	Sikorski	
Frederick	Kleinbaum	Penny	Sillers	
Gearty	Knaak	Perpich	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Winfield V. Johnson.

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

Anderson	Frederick	Knoll	Olson	Sillers
Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stokowski
Brataas	Jensen	Menning	Renneke	Strand
Chmielewski	Johnson	Merriam	Rued	Tennessee
Coleman	Keefe, J.	Moe	Schaaf	Ueland, A.
Davies	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Vega
Dunn	Kleinbaum	Ogdahl	Sieloff	Wegener
Engler	Knaak	Olhoff	Sikorski	Willet

The President declared a quorum present.

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

#### MEMBERS EXCUSED

Mr. Stumpf was excused from the Session of today.

**REPORTS AND RESOLUTIONS FILED DURING THE INTERIM  
WITH THE SECRETARY OF THE SENATE**

Various reports were filed during the 1979 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by the Legislative Audit Commission on various state institutions and boards; Pollution Control Agency, Analysis of the Resource Recovery Grants-In-Aid-Program, Alternatives for Improved Waste Water Treatment in Small Rural Communities; Mpls. Teachers' Retirement Fund Association, Sixty-ninth Annual Report of the Board of Trustees; Dept. of Finance, Public Employment Study, Final Report, 1979; University of Minnesota, Progress Report on Planning, 1979; Dept. of Finance, Statewide Cost Allocation Plan, 1977; Regional Development Commission, Great Lakes Commission, 1978-1979; Regional Development Commission, Southeastern Minnesota, 1978; Dept. of Personnel, Specialized Training and Development Activities; Dept. of Administration, Division of Procurement, Small Business Procurement Act, 1979; Indian Affairs Intertribal Board, 1979; Minnesota State Arts Board, Regional Program Information, 1981; Department of Public Welfare, Biennium Report on the Minnesota Supplemental Aid Program, 1977 and 1978; Minnesota Dept. of Health, Progress Report on Supplemental Food Programs; Dept. of Administration, Data Processing Budget Supplement, 1979-81; Family Farm Advisory Council, Minnesota Family Farm Security Act of 1976; Metropolitan Council, Metropolitan Waste Control Commission 1980 Budget; Dept. of Transportation, Rail User Loan Guarantee Program, 1979; Dept. of Administration, Role of Personnel Board, 1979; Dept. of Finance, Financial Report, year ended June 30, 1979; Commissioner of Education, Pre School Health Screening Programs; Metropolitan Council, Metropolitan Transit Commission 1980 Budget; Council on Quality Education.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mrs. Brataas, Messrs. Laufenburger and Pillsbury introduced—

S. F. No. 1708: A bill for an act relating to workers' compensation; changing special compensation fund assessment procedures; providing for reimbursement to certain insurers; amending Minnesota Statutes, 1979 Supplement, Sections 176.131, Subdivision 10; and 176.191, Subdivision 3.

Referred to the Committee on Employment.

Messrs. Nelson, Perpich, Kirchner and Knutson introduced—

S. F. No. 1709: A bill for an act relating to corrections; providing for licensing of correctional facilities; regulating inmate earnings; providing for the investment of funds in the correc-

tional industries revolving account; prohibiting the introduction of contraband into other state institutions; prescribing penalties; amending Minnesota Statutes 1978, Sections 241.021, Subdivision 1; 243.24, Subdivision 1; Minnesota Statutes, 1979 Supplement, Sections 241.27, Subdivision 2; and 243.55, Subdivision 1.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Ashbach; Mrs. Knaak; Messrs. Keefe, J. and Keefe, S. introduced—

S. F. No. 1710: A bill for an act relating to real estate; enacting the uniform condominium act; providing for taxation as a separate parcel; regulating eminent domain awards; regulating the creation of condominiums; protecting the purchasers of condominiums; regulating condominium declaration; regulating the management of condominiums.

Referred to the Committee on Judiciary.

Messrs. Nelson, Strand, Setzepfandt, Olson and Sillers introduced—

S. F. No. 1711: A bill for an act relating to taxation; income tax; providing for an investment credit for purchases of farm equipment; amending Minnesota Statutes 1978, Section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Strand, Ogdahl, Renneke, Peterson and Schmitz introduced—

S. F. No. 1712: A bill for an act relating to retirement; providing for periodic increases in the amount of employer contributions to the teachers retirement association and to the teachers retirement fund associations in cities of the first class; amending Minnesota Statutes, 1979 Supplement, Sections 354.42, Subdivision 5; and 354A.12, Subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Nelson, Setzepfandt and Renneke introduced—

S. F. No. 1713: A bill for an act relating to regional development; providing for the dissolution and property tax levies of regional development commissions; amending Minnesota Statutes 1978, Sections 462.387, by adding a subdivision; and 462.396, Subdivision 2.

Referred to the Committee on Local Government.

Mr. Engler introduced—

S. F. No. 1714: A bill for an act relating to the town of Castle Rock; authorizing the establishment of a detached banking facility.

Referred to the Committee on Commerce.

Mrs. Knaak, Messrs. Purfeerst, Hughes, Mrs. Brataas and Mr. Barrette introduced—

S. F. No. 1715: A bill for an act relating to education; providing mobility incentives for teachers at the school for the deaf and at the braille and sight-saving school; amending Minnesota Statutes 1978, Section 354.094, Subdivisions 1 and 5; and Minnesota Statutes, 1979 Supplement, Section 354.094, Subdivisions 3 and 6.

Referred to the Committee on Education.

Mrs. Brataas, Messrs. Laufenburger, Bang and Nichols introduced—

S. F. No. 1716: A bill for an act relating to workers' compensation; providing an annual date for adjusting supplementary benefit levels; amending Minnesota Statutes, 1979 Supplement, Section 176.132, Subdivision 2.

Referred to the Committee on Employment.

Mr. Ogdahl introduced—

S. F. No. 1717: A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing limited annual automatic post retirement adjustments for certain newly employed, active and retired local relief association members with municipal approval.

Referred to the Committee on Governmental Operations.

Messrs. Sillers and Moe introduced—

S. F. No. 1718: A bill for an act relating to historical interpretive centers; appropriating money.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Merriam and Barrette introduced—

S. F. No. 1719: A bill for an act relating to taxation; providing that payments mailed by or on settlement day but received later shall be treated as payments received by settlement day; modifying some provisions to take account of the new treatment of

payments mailed by or on settlement day and received later; amending Minnesota Statutes 1978, Sections 276.09; 276.10; and 276.11.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knutson introduced—

S. F. No. 1720: A bill for an act relating to crimes; prohibiting the possession, 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 1978, Sections 152.01, by adding a subdivision; 152.19, Subdivisions 1 and 3; and Chapter 152, by adding sections.

Referred to the Committee on Judiciary.

Mr. Laufenburger, Mrs. Staples, Mr. Frederick, Mrs. Brataas and Mr. Nelson introduced—

S. F. No. 1721: A bill for an act relating to unemployment compensation; including certain services as within definition of employment; providing for the noncharging of certain benefits; regulating accounts of successor employers; regulating reimbursements; providing for deductions from benefits; clarifying a certain disqualification from benefits; regulating employer protests; regulating certain interest charges and penalties; providing for adjustments; amending Minnesota Statutes 1978, Sections 268.06, Subdivisions 25, 26 and 28; 268.10, Subdivision 1; 268.16, Subdivisions 1, 2 and 6; and Minnesota Statutes, 1979 Supplement, Sections 268.04, Subdivision 12; 268.06, Subdivisions 5, 22 and 33; 268.08, Subdivision 3; and 268.09, Subdivision 1.

Referred to the Committee on Employment.

Messrs. Renneke, Tennessen, Sieloff, Bernhagen and Davies introduced—

S. F. No. 1722: A bill for an act relating to corrections; prescribing penalties for persons who introduce contraband into state hospitals; amending Minnesota Statutes, 1979 Supplement, Section 243.55.

Referred to the Committee on Judiciary.

Messrs. Keefe, S.; Spear; Keefe, J.; Ogdahl and Tennessen introduced—

S. F. No. 1723: A bill for an act relating to the city of Minneapolis; exempting arts organizations from the admissions and amusements tax; amending Laws 1969, Chapter 1092, Section 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Keefe, S.; Spear; Mrs. Staples and Mr. Keefe, J. introduced—

S. F. No. 1724: A bill for an act relating to taxation; exempting admissions to events or premises of nonprofit arts organizations from the sales tax; amending Minnesota Statutes, 1979 Supplement, Section 297A. 25, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S. F. No. 1725: A bill for an act relating to education; defining "nonsectarian nonpublic school" and modifying the definition of "neutral site" to include a nonsectarian nonpublic school for purposes of certain sections providing aid to nonpublic school children; amending Minnesota Statutes 1978, Section 123.932, Subdivision 9, and by adding a subdivision.

Referred to the Committee on Education.

Messrs. Davies, Knoll, Spear, Knutson and Sieloff introduced—

S. F. No. 1726: A bill for an act relating to children; providing for review of foster care of certain developmentally disabled children; amending Minnesota Statutes 1978, Section 257.071, Subdivision 3, and by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Davies, Sieloff, Knutson, Tennessen and Spear introduced—

S. F. No. 1727: A bill for an act relating to acknowledgement of instruments; providing that legal documents can be signed and certified to be true under penalty of perjury in lieu of acknowledgement in the presence of a notary public; prescribing penalties; amending Minnesota Statutes 1978, Section 609.48, Subdivision 1, and by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Davies, Knutson, Hanson, Tennessen and Spear introduced—

S. F. No. 1728: A bill for an act relating to witnesses; exempting parents and minors from testifying with respect to confidential communications made by the minor to parent; amending Minnesota Statutes 1978, Section 595.02.

Referred to the Committee on Judiciary.

Messrs. Davies, McCutcheon, Gearty, Barrette and Merriam introduced—

S. F. No. 1729: A bill for an act relating to crimes; eliminating

the power of a sentencing court to stay the revocation of the driver's license of a person convicted of driving, operating or being in physical control of a motor vehicle while under the influence of alcohol or controlled substances or a combination thereof; amending Minnesota Statutes 1978, Sections 169.121, Subdivision 5; and 609.135, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Davies, Knutson, Tennessen and Keefe, J. introduced—

S. F. No. 1730: A bill for an act relating to real estate; prohibiting time shared estates in real property; amending Minnesota Statutes 1978, Chapter 500, by adding a section.

Referred to the Committee on Judiciary.

Messrs. Davies, Jensen, Knutson, Tennessen and Gearty introduced—

S. F. No. 1731: A bill for an act relating to trade secrets; enacting the uniform trade secrets act.

Referred to the Committee on Commerce.

Messrs. Olhoft, Kirchner, Nelson, Wegener and Olson introduced—

S. F. No. 1732: A bill for an act relating to public welfare; allowing county boards to delegate certain powers to county welfare boards; allowing human services boards to appoint a director on a permissive basis; amending Minnesota Statutes, 1979 Supplement, Sections 256E.08, by adding a subdivision; and 402.05, Subdivision 1a.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Nelson introduced—

S. F. No. 1733: A bill for an act relating to public buildings; appropriating money for the Hormel Institute.

Referred to the Committee on Finance.

Messrs. Setzepfandt, Schmitz, Dunn and Renneke introduced—

S. F. No. 1734: A bill for an act relating to agriculture; renaming the livestock sanitary board; repealing obsolete language; regulating treatment of diseased animals; eliminating certain local boards; providing a penalty; amending Minnesota Statutes 1978, Sections 17A.04, Subdivision 6; 29.051; 29.061; 29.081;

35.01, Subdivisions 1 and 2; 35.02, Subdivision 1; 35.03; 35.05; 35.06; 35.063; 35.065; 35.08; 35.09; 35.10; 35.11; 35.12; 35.13; 35.15; 35.16; 35.245; 35.67; 35.68; 35.695; 35.70, Subdivision 1, 3 and 4; 35.71, Subdivisions 3 and 7; 35.81; 35.82; 35.822; 35.830; 35.831; 346.26; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; and 347.39; repealing Minnesota Statutes 1978, Sections 35.01, Subdivisions 3, 4, 5, 6 and 7; 35.07; 35.131; 35.132; 35.133; 35.134; 35.135; 35.136; 35.137; 35.17; 35.18; 35.19; 35.20; 35.21; 35.22; 35.23; 35.24; 35.25; 35.26; 35.27; 35.28; 35.29; 35.30; 35.31; 35.32; 35.33; 35.34; 35.35; 35.40; 35.41; 35.42; 35.43; 35.44; 35.45; 35.46; 35.47; 35.48; 35.49; 35.50; 35.51; 35.55; 35.56; 35.57; 35.58; 35.60; 35.605; 35.70, Subdivisions 2, 5, 6 and 8; 35.73, Subdivision 2; and 35.821, Subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Merriam, Sikorski, Anderson, Dunn and Bernhagen introduced—

S. F. No. 1735: A bill for an act relating to courts; tenth judicial district; authorizing two additional judges; authorizing appointment of a law clerk for each district court judge; amending Minnesota Statutes 1978, Sections 2.722, Subdivision 1; and 484.545, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Dunn, Wegener, Schmitz, Engler and Ueland, A. introduced—

S. F. No. 1736: A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5.

Referred to the Committee on Local Government.

Messrs. Nichols and Strand introduced—

S. F. No. 1737: A bill for an act relating to education; authorizing school districts to provide bus transportation for certain pupils who live within a mile of school; allowing districts to charge a fee for the transportation.

Referred to the Committee on Education.

Messrs. Nichols, Setzepfandt and Strand introduced—

S. F. No. 1738: A bill for an act relating to corrections; authorizing the confinement of pre-trial detainees and sentenced persons up to 90 days in lockup facilities.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Engler, Laufenburger, Penny, Purfeerst and Frederick introduced—

S. F. No. 1739: A bill for an act relating to transportation; permitting informational notations on recorded maps and plats; simplifying correction of errors on them; amending Minnesota Statutes 1978, Section 160.085, Subdivision 1, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Nelson, Sikorski and Schaaf introduced—

S. F. No. 1740: A bill for an act relating to education; changing the definition of teacher in the law governing limitations on the amount of severance pay for teachers; improving some of the language in a severance pay law; amending Minnesota Statutes, 1979 Supplement, Section 465.72.

Referred to the Committee on Governmental Operations.

Messrs. Peterson; Laufenburger; Bang; Keefe, S. and Mrs. Brataas introduced—

S. F. No. 1741: A bill for an act relating to motor vehicles; exempting certain retail installment contracts from the Motor Vehicle Installment Sales Act; amending Minnesota Statutes 1978, Section 168.66, Subdivision 4.

Referred to the Committee on Commerce.

Messrs. Dieterich; Knoll; Ulland, J.; Hanson and Anderson introduced—

S. F. No. 1742: A bill for an act relating to taxation; income tax; providing a credit for energy conservation expenditures; amending Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 14.

Referred to the Committee on Taxes and Tax Laws.

Mr. Nichols introduced—

S. F. No. 1743: A bill for an act relating to taxation; real property; providing for the classification and assessment of certain recreational property; amending Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dieterich, Schaaf, Nichols, Knutson and Vega introduced—

S. F. No. 1744: A bill for an act relating to recreation; requiring minimum insurance and a certificate of inspection for certain ski lifts, amusement rides, and amusement attractions before their operation; authorizing the commissioner of labor and industry to make the inspections and to prescribe safety rules; authorizing the commissioner to delegate inspection authority to other agencies or political subdivisions; establishing an advisory board; requiring disconnection of hazardous lifts or rides and reporting of serious injuries; establishing penalties; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Laufenburger introduced—

S. F. No. 1745: A bill for an act relating to counties; providing for publication and examination of accounts; amending Minnesota Statutes, 1979 Supplement, Section 375.17.

Referred to the Committee on Local Government.

Messrs. Frederick, Laufenburger, Bernhagen and Ueland, A. introduced—

S. F. No. 1746: A bill for an act relating to unemployment compensation; cancelling wage credits for certain employees; amending Minnesota Statutes, 1979 Supplement, Section 268.07, Subdivision 3.

Referred to the Committee on Employment.

Mr. Knoll introduced—

S. F. No. 1747: A bill for an act relating to taxation; correcting the text of the residential energy income tax credit provision; amending Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 14.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Renneke, Rued, Knutson, Frederick and Ueland, A. introduced—

S. F. No. 1748: A bill for an act relating to health; authorizing the commissioner of health to issue orders concerning well water quality; amending Minnesota Statutes 1978, Section 156A.05, by adding a subdivision.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Bang, Laufenburger and Ashbach introduced—

S. F. No. 1749: A bill for an act relating to insurance; providing the commissioner with rule-making power on the subject of

unfair methods and unfair or deceptive acts and practices; amending Minnesota Statutes 1978, Section 72A.19.

Referred to the Committee on Commerce.

Messrs. Bang, Laufenburger, Ashbach and Jensen introduced—

S. F. No. 1750: A bill for an act relating to commerce; regulating the sale of subdivided lands; prescribing certain registration and exemption procedures and requirements; modifying the enforcement powers and procedures of the commissioner of securities; prescribing certain fees; providing certain penalties; amending Minnesota Statutes 1978, Sections 83.23, Subdivision 4; 83.26; 83.27; 83.28, Subdivision 2; 83.29, Subdivision 1; 83.30, Subdivision 2; 83.31; 83.35, Subdivisions 1, 2 and 3; and 83.37, Subdivision 1; repealing Minnesota Statutes 1978, Section 83.35, Subdivision 5.

Referred to the Committee on Commerce.

Messrs. Ueland, A.; Purfeerst; Engler and Frederick introduced—

S. F. No. 1751: A bill for an act relating to highway traffic regulations; providing that the operation of certain motorcycles does not require a two-wheeled vehicle endorsement on the operator's driver's license; amending Minnesota Statutes 1978, Section 169.974, Subdivision 2; and by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Knutson, Mrs. Knaak, Mr. Bang, Mrs. Staples and Mr. Solon introduced—

S. F. No. 1752: A bill for an act relating to commerce; requiring invoices on certain repairs; amending Minnesota Statutes 1978, Sections 325.972; and 325.976.

Referred to the Committee on Commerce.

Messrs. Chmielewski and Olson introduced—

S. F. No. 1753: A bill for an act relating to labor; regulating certain steam engines and boilers and steam engine and boiler operators; amending Minnesota Statutes 1978, Chapter 183, by adding a section.

Referred to the Committee on Employment.

Messrs. Wegener, Olhoff, Chmielewski, Engler and Renneke introduced—

S. F. No. 1754: A bill for an act creating a legislative commis-

sion to study and recommend town zoning and planning laws; appropriating money.

Referred to the Committee on Local Government.

Messrs. Wegener, Olhoff, Chmielewski, Engler and Renneke introduced—

S. F. No. 1755: A bill for an act relating to towns; permitting compensation and providing for mileage of deputy clerks; amending Minnesota Statutes 1978, Section 367.05, Subdivision 2.

Referred to the Committee on Local Government.

Messrs. Chmielewski, Renneke, Engler, Setzepfandt and Schmitz introduced—

S. F. No. 1756: A bill for an act relating to highways; providing that a resolution of a county board revoking a county highway that would revert to a town is not effective until the highway meets town road specification standards; amending Minnesota Statutes 1978, Section 163.11, Subdivision 5a.

Referred to the Committee on Transportation.

Mr. Moe introduced—

S. F. No. 1757: A bill for an act relating to motor vehicles; providing for the registration and taxation of certain vehicles for a period of less than 12 months under certain circumstances; amending Minnesota Statutes 1978, Sections 168.012, Subdivision 7; 168.013, Subdivision 6; and 168.017, Subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Moe introduced—

S. F. No. 1758: A bill for an act relating to workers' compensation; providing for insurance rate setting by individual insurance companies; eliminating duties of rating bureau of Minnesota; creating duties for the commissioner of insurance; amending Minnesota Statutes 1978, Sections 70A.02; 70A.09; 70A.16; 79.09; 79.24; 79.28; 79.29; 79.30; 79.31; 79.32; Chapter 79, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 79.075; 79.21; 79.211; 79.25, Subdivision 1; repealing Minnesota Statutes 1978, Sections 79.08; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.18; 79.19; 79.20; 79.26; 79.27; Minnesota Statutes, 1979 Supplement, Sections 79.01, Subdivision 7; 79.071; 79.072; 79.073; 79.076; 79.10; 79.171; and 79.22.

Referred to the Committee on Employment.

Mr. Schmitz introduced—

S. F. No. 1759: A bill for an act relating to counties; providing

for sheriffs and deputies compensation and expenses; permitting compensation for use of automobiles; amending Minnesota Statutes 1978, Section 387.20, Subdivisions 1 and 6.

Referred to the Committee on Local Government.

Mr. Sillers introduced—

S. F. No. 1760: A bill for an act relating to retirement; authorizing membership in the public employees' police and fire fund for the Moorhead police chief.

Referred to the Committee on Governmental Operations.

Messrs. Moe, Perpich, Mrs. Staples, Messrs. Knutson and Renneke introduced—

S. F. No. 1761: A bill for an act relating to health; requiring a study of certain hospital costs by the legislative auditor.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Rued, Ashbach, Bernhagen, Barrette and Frederick introduced—

S. F. No. 1762: A bill for an act relating to the legislature: proposing an amendment to the Minnesota Constitution, Article XI, by adding a section; providing a constitutional limit on state appropriations; providing a statute implementing the amendment.

Referred to the Committee on Finance.

Messrs. Knutson, Purfeerst, Engler and Vega introduced—

S. F. No. 1763: A bill for an act relating to driver's licenses; providing for the disposition of the county fee in Dakota County.

Referred to the Committee on Local Government.

Messrs. Frederick, Setzepfandt and Olhoft introduced—

S. F. No. 1764: A bill for an act relating to taxation; property tax; providing for uncontested hearings for property valuation; availability of assessor's field cards; information to be included on valuation notices; clarifying the computation of agricultural aid credit; clarifying acreage available for homestead credit; changing date for county board of equalization meeting and transfer of books to treasurer; changing penalty and interest rates; clarifying the role of administrative auditor in fiscal disparities; amending Minnesota Statutes 1978, Sections 270.11, Subdivision 6; 272.70; 273.121; 273.13, Subdivision 6a; 273.135, Subdivision 1; 274.13, Subdivision 1; 274.14; 276.01; 279.01;

279.37, Subdivision 2; 282.01, Subdivisions 1 and 4; 282.222, Subdivision 4; 282.261; and 473F.08, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 273.13, Subdivision 6; and 282.15; repealing Minnesota Statutes 1978, Sections 275.31; 275.32; 275.33; 275.34; 275.35; and 473F.08, Subdivisions 7 and 8.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Penny, Nichols, Peterson, Frederick and Olhoft introduced—

S. F. No. 1765: A bill for an act relating to taxation; income tax; providing that certain unemployment compensation be included in gross income; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Moe, Strand, Setzepfandt, Engler and Johnson introduced—

S. F. No. 1766: A bill for an act relating to agriculture; requiring the preparation of agricultural impact statements for certain public projects; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Kleinbaum introduced—

S. F. No. 1767: A bill for an act relating to retirement; providing for the amortization of the unfunded accrued liability of the St. Cloud firefighters' relief association.

Referred to the Committee on Governmental Operations.

Messrs. Menning, Humphrey, Moe, Bernhagen and Olhoft introduced—

S. F. No. 1768: A bill for an act relating to energy; establishing a program of annual monetary awards for ideas in the fields of alternative energy sources and energy conservation; appropriating funds.

Referred to the Committee on Energy and Housing.

Mr. Spear, Mrs. Staples, Messrs. Perpich, Kirchner and Vega introduced—

S. F. No. 1769: A bill for an act relating to general assistance; authorizing and setting minimum limits for allowances for personal needs in certain cases; amending Minnesota Statutes 1978, Section 256D.06, by adding a subdivision.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Knutson, Rued, Barrette, Mrs. Knaak and Mr. Solon introduced—

S. F. No. 1770: A bill for an act relating to health; requiring certain immunizations for children; requiring certain schools to maintain immunization records and make certain reports; amending Minnesota Statutes 1978, Section 123.70.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Sillers and Ulland, J. introduced—

S. F. No. 1771: A bill for an act relating to highway traffic regulations; regulating speed in certain speed zones; authorizing local authorities to establish speed limits within high pedestrian conflict zones; amending Minnesota Statutes, 1979 Supplement, Section 169.14, Subdivision 5a.

Referred to the Committee on Transportation.

Messrs. Menning, Moe, Schmitz and Purfeerst introduced—

S. F. No. 1772: A bill for an act relating to highway traffic regulations; authorizing an annual permit for certain oversize vehicles transporting implements of husbandry; prescribing limitations on the use of the vehicles; amending Minnesota Statutes 1978, Section 169.70, Subdivision 1.

Referred to the Committee on Transportation.

Messrs. Spear; Rued; Keefe, S.; Sikorski and Bernhagen introduced—

S. F. No. 1773: A bill for an act relating to intoxicating liquor; authorizing the production and sale of table or sparkling wines produced by a Minnesota farm winery; providing for the taxation thereof.

Referred to the Committee on Commerce.

Messrs. Ulland, J. and Bernhagen introduced—

S. F. No. 1774: A bill for an act relating to energy; establishing state programs for emergency energy assistance, administration of federal grants, supplementing federal weatherization grants, reimbursing counties for home heating expenditures, and emergency energy conservation grants; appropriating funds.

Referred to the Committee on Energy and Housing.

**MESSAGES FROM THE HOUSE**

**Mr. President:**

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H. F. No. 1507.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1979

**FIRST READING OF HOUSE BILLS**

The following bill was read the first time and referred to the committee indicated.

H. F. No. 1507: A bill for an act relating to appropriations; converting certain standing appropriations to direct appropriations; abolishing other standing appropriations; appropriating money; amending Minnesota Statutes 1978, Sections 9.061, Subdivision 5; 97.482, Subdivision 2; and 638.08; repealing Minnesota Statutes 1978, Section 7.07.

Referred to the Committee on Finance.

**REPORTS OF COMMITTEES**

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1646: A bill for an act relating to executions; providing that issuance of an execution may be made without docketing of the judgment in the county where the money or personal property is owed to the judgment debtor by a third party; amending Minnesota Statutes 1978, Section 550.07.

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1644: A bill for an act relating to eminent domain; providing for the taking of possession and title by the petitioner under certain circumstances; providing that certain payments deposited with the court shall be paid out under direction of the court; amending Minnesota Statutes 1978, Section 117.042.

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 64: A bill for an act relating to evidence; declaring certain kinds of records of legislative proceedings to be not relevant evidence of legislative intent.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1978, Section 645.16, is amended to read:

645.16 [LEGISLATIVE INTENT CONTROLS.] The object of all interpretation and construction of laws is to ascertain and effectuate the intention of the legislature. Every law shall be construed, if possible, to give effect to all its provisions.

When the words of a law in their application to an existing situation are clear and free from all ambiguity, the letter of the law shall not be disregarded under the pretext of pursuing the spirit.

When the words of a law are not explicit, the intention of the legislature may be ascertained by considering, among other matters:

- (1) The occasion and necessity for the law;
- (2) The circumstances under which it was enacted;
- (3) The mischief to be remedied;
- (4) The object to be attained;
- (5) The former law, if any, including other laws upon the same or similar subjects;
- (6) The consequences of a particular interpretation;
- (7) ~~The contemporaneous legislative history~~ *bill as introduced and with amendments as reflected in the journals of the legislative bodies ; and*
- (8) Legislative and administrative interpretations of the statute."

Page 1, line 9, after "in" insert "*either personal recollections of legislators, legislative staff or other individuals involved in the legislative process, or in*"

Page 1, line 13, after "because" insert "all"

Page 1, line 16, after "that" insert "*testimony of legislators, legislative staff or other individuals involved in the legislative process, and*"

Page 1, line 22, before "Verbatim" insert "*Testimony of legislators, legislative staff and other individuals involved in the legislative process, and*"

Page 2, line 3, delete ". They" and insert ", and"

Renumber the sections in sequence

Underline all new language in the bill

Amend the title as follows:

Page 1, line 2, after the semicolon insert "limiting the legislative history admissible to determine legislative intent;"

Page 1, line 2, after "declaring" insert "testimony of certain individuals and"

Page 1, line 4, after "intent" insert "; amending Minnesota Statutes 1978, Section 645.16"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1623: A bill for an act relating to transportation; requiring any public transit system receiving state financial assistance to provide for public transportation to all persons 65 years of age or over; amending Minnesota Statutes 1978, Sections 174.22, by adding a subdivision; 174.23, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 174.23, Subdivision 2; and 473.408, Subdivision 3.

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

Page 2, line 23, delete "Any public" and insert "A regular route"

Page 3, after line 10, insert:

"Sec. 5. [APPROPRIATION.] *The sum of \$1,000,000 is appropriated from the general fund to the commissioner of transportation for the purposes of sections 1 to 4 to be available until June 30, 1981.*

Sec. 6. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.*"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "appropriating money;"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1665: A bill for an act relating to public contracts; providing for progress payments; authorizing alternative means of securing full performance; amending Minnesota Statutes 1978, Sections 161.322; 162.04; 162.10; and 429.041, Subdivision 6.

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

Page 2, line 29, delete "*such*" and insert "*that*"

Page 7, line 19, delete "1979" and insert "1980"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 993: A bill for an act relating to health; establishing a council on physical fitness; prescribing its duties; appropriating money.

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

Page 1, line 20, after "FITNESS" insert "AND HEALTH"

Page 1, line 22, after "fitness" insert "and health"

Page 4, line 10, delete "1979" and insert "1980"

Amend the title as follows:

Page 1, line 3, after "fitness" insert "and health"

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

#### SECOND READING OF SENATE BILLS

S. F. No. 1644 was read the second time.

S. F. Nos. 1646, 64 and 1665 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Bernhagen introduced—

Senate Resolution No. 42: A Senate resolution commending the people of the city of Litchfield for their "Sister City" program. Providing for the adoption of the City of Hartford, Alabama by the City of Litchfield as their "Sister City".

Referred to the Committee on Rules and Administration.

Mr. Spear moved that the name of Mr. Sikorski be added as co-author to S. F. No. 391. The motion prevailed.

Mrs. Brataas moved that her name be stricken as co-author to S. F. No. 789. The motion prevailed.

S. F. No. 129 and the Conference Committee Report thereon were reported to the Senate.

Mr. Luther moved that S. F. No. 129 and the Conference Committee Report thereon be returned to the Conference Committee as previously constituted. The motion prevailed.

**SPECIAL ORDER**

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 1261 a Special Order to be heard immediately.

Mr. Schaaf moved that S. F. No. 1261 be taken from the table. The motion prevailed.

S. F. No. 1261: A bill for an act relating to public transit; authorizing the acquisition, betterment, operation and maintenance of a people mover system in St. Paul; authorizing financial participation in its construction by Ramsey County; establishing a procedure for payment of the operating deficit by the metropolitan transit commission, the city of St. Paul and benefited property owners; providing for assistance by the state; authorizing issuance of bonds by Ramsey County and payment from a tax levied on commercial and industrial property in Ramsey County; appropriating money; amending Laws 1979, Chapter 46, Section 1, by adding a subdivision; repealing Laws 1977, Chapter 454, Section 45.

Mr. Schaaf moved to amend S. F. No. 1261 as follows:

Delete everything after the enacting clause and insert:

*"Section 1. [DEFINITIONS.] Subdivision 1. The definitions in this section apply to sections 1 to 14.*

*Subd. 2. "City" means the city of St. Paul in Ramsey County acting through the city council or any agency, authority or corporation established by or with the approval of the city, acting through its governing body, to implement any of the provisions of this act.*

*Subd. 3. "Commission" means the metropolitan transit commission created by Minnesota Statutes, Section 473.404, having jurisdiction over the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.*

*Subd. 4. "People mover system" means an automated fixed guideway transit system designed to serve the main commercial area of the city of St. Paul and the area of the city surrounding it as determined by the board, and all property, real and personal, and all contract rights, determined to be necessary or desirable for the acquisition, betterment, operation and maintenance of the system.*

*Subd. 5. "Transit system" has the meaning given in Minnesota Statutes, Section 473.121.*

*Subd. 6. "Acquisition" and "betterment" have the meanings given in Minnesota Statutes, Section 475.51.*

*Subd. 7. "Vehicle system" means the transit cars, the guideway, the guideway columns, the guideway electrification, the control and communication mechanisms, the platform doors, the maintenance and control center equipment, and other similar necessary components of the people mover system.*

*Subd. 8. "Capitol area" has the meaning given in Minnesota Statutes, Section 15.50.*

*Subd. 9. The "joint management board" or "board" means the board created under section 2.*

*Subd. 10. "Revenue service" means days the people mover system is actually operating and available for use by the general public.*

**Sec. 2. [JOINT MANAGEMENT BOARD; IMPLEMENTATION AUTHORITY.]** *The city and the commission shall enter into a written joint powers agreement establishing a joint management board to manage and supervise the people mover system. The board shall have the powers and responsibilities provided for in this act and in the agreement. The board shall be composed of seven members. Two shall be members of the commission appointed by the chairman of the commission with the approval of the commission. Not more than one of these members shall be a resident of the city of St. Paul. Two members of the St. Paul city council and two members representing property owners in the area served by the people mover shall be appointed by and serve at the pleasure of the mayor of the city of St. Paul and shall be confirmed by the council. Notwithstanding the provisions of section 471.59, subdivision 2, the seventh member and chairman of the board shall be appointed by the chairman of the metropolitan council established by Minnesota Statutes, Section 473.123 and shall not be a resident of the city of St. Paul. The city and the commission acting together, pursuant to the joint powers agreement or any amendment thereof, may exercise all powers conferred upon either or both of them by law or charter, to provide for the acquisition, betterment, operation, maintenance and promotion of a people mover system. The commission shall agree as part of the joint powers agreement to issue bonds as needed for the acquisition and betterment of the people mover system as provided in section 11. The joint powers agreement shall include an agreement providing for coordination of the people mover system with transit service operated by the commission to encourage and enhance ridership on both systems and a parking, traffic and pedestrian management plan to improve and facilitate access to the people mover system, including construction of fringe parking facilities and skyways. By December 15, 1980, the board shall report to the legislature on the joint powers agreement, the activities conducted pursuant to it and to this act, and any additional legislation that may be necessary or appropriate. In addition to filing copies of the report as provided in section 3.195, the board shall provide an oral presentation to the appropriate standing committees of the legislature.*

**Sec. 3. [METROPOLITAN COUNCIL REVIEW AND RECOMMENDATION.]** *The metropolitan council established by Minnesota Statutes, Section 473.123, in making its review under Minnesota Statutes, Section 473.171, of the application for federal grant in connection with the people mover system as a matter of metropolitan significance, shall conduct a public hearing upon such application and the program proposed thereby*

*within 30 days of submission of the application to the council. Not less than 14 days before the hearing the council shall publish notice thereof in a newspaper having general circulation in the metropolitan area, stating the date, time and place of hearing, and the place where the application may be examined by any interested person. Within 14 days after the hearing the council shall make its recommendation upon the application and cause notice of the same to be published in the same manner as the hearing notice.*

**Sec. 4. [EQUIPMENT PURCHASE.]** *Subdivision 1. [REQUEST FOR PROPOSALS.] Notwithstanding the provisions of Minnesota Statutes, Sections 471.345 and 471.35 or any other provision of law or charter, a contract for purchase of a vehicle system comprising part of the people mover system shall be awarded to the bidder whose proposal is determined to be most favorable on the basis of specifications which shall include the following considerations: the cost of the vehicle system; its cost consequence for other elements of the people mover system; the operating and maintenance cost of the vehicle system; its visual, aesthetic, environmental, noise and energy impact; the supplier's plan for winter operation; the capacity of the vehicle system to meet the functional and physical specifications of the contract documents; the ability of the bidder to perform design, furnishing, installing and testing services for all vehicle system elements and for construction coordination; and ability of the bidder to meet requirements imposed as contract conditions in any grant contract entered into with the federal government. Bids may not be solicited without approval by the board of the functional and physical specifications proposed for the vehicle system purchase contract. Eligible bidders shall be limited to suppliers who have provided people mover systems which have successfully served the public.*

**Subd. 2. [CONTRACT AWARD.]** *Contracts for equipment purchase and for construction may not be awarded without approval of the board. The purchase contract for the vehicle system shall require the supplier to assure that the vehicle system operates within the specifications of the contract and to maintain the vehicle system for a five year period of revenue operation at a fixed base price with escalation clauses. The five year period shall be extended for the period of time equal to the time when the vehicle system is not in service because of a failure of the system to perform according to the specifications of the contract. The contract shall contain a provision permitting termination of the operation and maintenance portion of the contract by the board at the end of any year of revenue operation.*

**Subd. 3. [CERTIFICATION.]** *No revenue operation of the people mover system shall begin until the board receives written notice, signed by the administrator of the urban mass transportation administration, stating that the vehicle system or the part proposed to be operated has been fully tested, that it meets the criteria for acceptance established by the authority that let the construction and equipment purchase contracts with the concur-*

rence of the administration, and that it is ready for year-around revenue operation. The purchase contract for the vehicle system shall so provide. The written notice from the administration shall not imply any legal liability of the federal government for construction or operation of the people mover system.

Sec. 5. [SPECIAL ASSESSMENT.] *The people mover system and related access facilities, including the seventh place pedestrian mall and public galleria facilities, are determined to be local improvements within the meaning of the Minnesota Constitution, Article X, the city's charter, and Minnesota Statutes, Chapters 429 and 430. Accordingly, the costs of acquisition, construction, reconstruction, extension, operation, maintenance and promotion of the people mover system and such facilities whether paid or to be paid by the city or the commission, may be specially assessed against property determined to be specially benefited thereby, to the extent of and in proportion to the benefits. The special assessment shall be levied by the city pursuant to its charter, chapter 429 or 430, and the collections thereof may be pledged to the payment of the costs.*

Sec. 6. [ACCESS FACILITIES.] *By December 15, 1980 the board, the commission and the city shall report to the legislature on their plans for improving and facilitating access to the people mover system from other modes of transportation. In addition to filing copies of the reports as provided in section 3.195, the board, the city and the commission shall provide oral presentations of the reports to the appropriate standing committees of the legislature. The commission, subject to the approval of the board, shall produce a plan for managing the relationship between transit vehicles and the people mover to enhance ridership, revenue and patron satisfaction on both systems. The city, subject to the approval of the board, shall produce parking and traffic and pedestrian management plans, including plans for the construction of fringe parking ramps or lots and skyways to improve and facilitate access to the people mover system. The parking plans shall identify the specific locations and capacities of the proposed facilities, along with preliminary design, engineering, and traffic management studies. The plans shall include a development program with a schedule for the development of such facilities and a detailed financial plan demonstrating financial capability for a prospective five year period to support the capital, operating, maintenance and promotional costs of the parking and other access facilities.*

Sec. 7. [FARE AND TRANSFER POLICIES.] *Subdivision 1. [REDUCED OR SOCIAL FARES.] Fares charged during non-peak hours for elderly and handicapped riders shall not exceed one-half of the peak hour fares for the general public. The board may charge the social fares provided in Minnesota Statutes, Section 473.408, Subdivision 3, during non-peak hours. The board shall determine the peak and non-peak hours of the people mover system for purposes of the reduced fares provided in this subdivision. Reduced or social fares charged by the board shall be reim-*

bursed by the Minnesota department of transportation as provided in Minnesota Statutes, Section 174.24, Subdivision 4.

**Subd. 2. [TRANSFER POLICY.]** All fares charged to riders of the people mover system who transfer from the system to transit service provided by the commission shall be paid to the commission. No additional fare shall be charged to any rider who transfers to the people mover system from transit service provided by the commission.

**Sec. 8. [OPERATING DEFICIT; DETERMINATION AND PAYMENT.] Subdivision 1.** Any operating deficit of the people mover system shall be paid as provided in this section and section 9.

**Subd. 2.** For the purposes of this section and section 9, "operating deficit" means that portion of the costs of operating, maintaining and promoting the people mover system during the period of revenue service which exceeds the amount received from revenues of the system, reimbursement for reduced or social fares, federal operating assistance and other sources exclusive of payments by the city, the commission and owners of benefited properties as provided in this section and section 9.

**Subd. 3.** As soon as practicable before the start of revenue service, the board shall:

(a) Establish an operating deficit account for the deposit of all money required to be paid pursuant to this section by the city, the commission and owners of benefited properties and for the payment of the operating deficit;

(b) Determine the estimated operating deficit for the calendar year in which revenue service is expected to begin and for the first year of revenue service;

(c) Determine the amount of the share required from the city, the commission and the owners of benefited properties to pay the estimated operating deficit as provided in section 9. If the system is expected to be in revenue service for only a portion of the first calendar year of revenue service, the shares shall be prorated according to the percentage of the year the system is expected to be in revenue service; and

(d) Establish procedures which assure that an amount equal to the estimated operating deficit for the calendar year in which service begins, as determined under clause (b), is paid to the operating deficit account by the city and the commission not later than the first day of revenue service and that additional amounts will be paid by the city and the commission if necessary to pay the actual operating deficit through the end of the first full calendar year of revenue service. The amounts which the city and commission may be required to pay pursuant to this clause are not limited to the amounts provided in section 9.

The city shall levy assessments on benefited properties pursuant to section 5 in the amount the board determines is required from the owners of the properties to pay the estimated operating

deficit as determined under clause (c) of this subdivision. These assessments shall be levied at the earliest possible time consistent with the provisions of section 5.

*Subd. 4. Not later than July 1 of the first full calendar year of revenue service and at one year intervals thereafter the board shall:*

*(a) Determine the actual operating deficit for the preceding calendar year;*

*(b) Determine the amounts paid into the operating deficit account during the preceding calendar year by the city, the commission and owners of benefited properties. Deductions and additions carried over from another year shall be included in payments made during the year subject to the determination;*

*(c) Determine the amounts which are required from the city, the commission and owners of benefited properties to pay the operating deficit for the preceding calendar year pursuant to section 9;*

*(d) Determine whether the city, the commission or owners of benefited properties have paid to the operating deficit account during the preceding calendar year an amount that is more or less than that required under clause (c) of this subdivision and deduct the excess from or add the deficiency to the required payment by that party for the following calendar year;*

*(e) Determine the estimated operating deficit for the following calendar year and the amounts which are required from the city, the commission and owners of benefited properties to pay that estimated operating deficit pursuant to section 9;*

*(f) Establish a schedule of payments by the city and the commission for the following calendar year which assures the payment of the estimated operating deficit in a timely manner; and*

*(g) Report its findings and determinations to the city and the commission.*

*For the purpose of the determination made in the first full calendar year of revenue service, the preceding calendar year is deemed to include all preceding calendar years in which an operating deficit was incurred or payments were made by the city, the commission and owners of benefited property.*

*Subd. 5. At the earliest possible time after receiving a report of the board as provided in subdivision 4, the city shall levy assessments for the amount determined by the board to be required from owners of benefited properties to pay the estimated operating deficit less any amount previously assessed which was not due and payable before the close of the previous year. The assessments shall be levied pursuant to section 5.*

*Subd. 6. The city and the commission shall pay the amounts determined by the board to be required from them to pay the estimated operating deficit according to the schedule established by the board.*

**Sec. 9. [OPERATING DEFICIT SHARING FORMULA.]** *Subdivision 1. The city, the commission and the owners of benefited properties shall share in the payment of the operating deficit according to the provisions of subdivisions 2 to 5.*

*Subd. 2. Owners of benefited properties shall pay the first \$300,000 of any operating deficit for any year of revenue service, subject to escalation as provided in subdivision 5. Payments shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 3. If the operating deficit for any year exceeds the amount required to be paid pursuant to subdivision 2, the city, the commission and owners of benefited properties shall each pay one-third of the remaining portion up to a maximum of \$500,000, subject to escalation as provided in subdivision 5. Payments by owners of benefited properties shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 4. If the operating deficit for any year exceeds the amounts required to be paid pursuant to subdivisions 2 and 3, owners of benefited properties shall pay one-half of the excess up to a maximum of \$800,000, subject to escalation as provided in subdivision 5, and the city shall pay the remaining amount of the excess. Payments by owners of benefited properties shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 5. The maximum payments provided in subdivisions 2 and 3 shall be increased beginning July 1, 1978, to the close of the first year of revenue service by an amount equal to the local consumer price index not to exceed eight percent, compounded annually. After the first year of revenue service, the amount calculated under the preceding sentence shall be increased by the actual rate of inflation of the cost of operating and maintaining the people mover system, compounded annually.*

**Sec. 10. [CAPITOL AREA FACILITIES; STATE OWNED PROPERTY.]** *Subdivision 1. Construction of the people mover system within the capitol area shall be exempt from the provision of Minnesota Statutes 1978, Section 15.50, Subdivision 2, Clause (e), requiring design competition except that capitol station west shall be subject to an invited competition as defined in part II, 6, c(2) of the American Institute of Architecture document number 6-J332, issued November, 1976, sponsored and conducted by the capitol area architectural and planning board upon guidelines and criteria as determined by agreement between that board and the joint board. System improvements within the capitol area shall be in conformity with the comprehensive use plan for the capitol area and subject to the approval of the capitol area architectural and planning board.*

*Subd. 2. The commissioner of administration on behalf of the state may grant to the city or the commission, without compensation, easements for the construction, location and operation of the people mover system upon state owned property. The commissioner of administration and the urban mass transportation administration shall establish the value of easements and related*

*access facilities in the capitol area which will be required for the people mover and which are eligible in lieu of cash as local contributions to the capital cost of the people mover project. The value of these easements and facilities shall be applied to the commission's share of the local contributions.*

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 473.436, is amended by adding a subdivision to read:

*Subd. 6. [PEOPLE MOVER SYSTEM.] The commission may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding \$9,000,000 for the purpose of acquisition and betterment of the people mover system as defined in section 1. The proceeds of the obligations shall be expended as provided in the joint powers agreement entered into by the commission pursuant to section 2. Proceeds of the obligations which are not needed for acquisition and betterment of the people mover system shall be expended to pay the operating deficit of the people mover system pursuant to sections 8 and 9. No obligations shall be issued under this subdivision until the commission determines that agreements have been executed between the authority that will let the construction contract for the people mover system and the appropriate labor organizations and construction contractor organizations which provide that no labor strike or management lockout will halt, delay or impede construction.*

Sec. 12. [JUDICIAL PROCEEDINGS; TIME TO COMMENCE.] *No action shall be commenced or maintained, nor defense interposed in an eminent domain proceeding, questioning the public purpose, propriety of expenditure of public funds, or validity of any law authorizing the acquisition, betterment, operation, maintenance or financing of the people mover system, except by lawsuit commenced in the district court of Ramsey County within 90 days of the date of publication of the metropolitan council recommendation given pursuant to section 3, or within 90 days of the date of written notice mailed to persons whose property may be taken by subsequent proceedings in eminent domain for the people mover system or right of way. Such action timely commenced by any taxpayer, any person whose property is or may be taken or interfered with by reason of the proposed implementation of the people mover system, or other person with standing, shall be maintained in the manner provided by law, including Minnesota Statutes, Chapter 562. Nothing in this subdivision nor notice given pursuant thereto shall be construed as a taking of private property, nor as limiting a property owner's right to just compensation for the taking of private property to be litigated in proceedings in eminent domain subsequently instituted under charter of Minnesota Statutes, Chapter 117, for such taking and assessment and award of damages.*

Sec. 13. [LIMIT ON CAPITAL EXPENDITURES.] *Subdivision 1. [TOTAL EXPENDITURES.] Except as otherwise provided in this subdivision, the sum of all expenditures by the city and the commission, including federal grants and in-kind expenditures, for acquisition, construction and betterment of the people mover system shall not exceed \$90,000,000. This amount may*

*be increased by up to 20 percent if the federal urban mass transportation administration provides 80 percent matching grants for any amount exceeding \$90,000,000 and that all of the non-federal share required to match the federal grants is provided by the city.*

*Subd. 2. [COMMISSION EXPENDITURES.] The commission shall expend no money for the acquisition, construction or betterment of the people mover system except the proceeds of the bonds authorized in section 11.*

*Sec. 14. [RELATIONSHIP TO TAX INCREMENT FINANCING DISTRICTS.] After approval of this act by the governing body of the city of St. Paul, no tax increment financing district may be certified by the county auditor pursuant to the provisions of Minnesota Statutes, Chapters 458, 462, 472A or 474 if the proposed district includes any property located within a distance of one half mile of the proposed route of the people mover system. In the case of a tax increment financing project for which certification has been requested from the county auditor prior to approval of this act, there may be no geographic enlargement of the district to add any property located within one half mile of the route. If a district for which certification was requested prior to approval of this act includes property located within one half mile of the route, no bonds may be issued after the date of the approval of this act by the municipality or the authority responsible for the project for the purpose of financing project activities within the district.*

*Sec. 15. [REPEALER.] Laws 1977, Chapter 454, Section 45, is repealed.*

*Sec. 16. [EFFECTIVE DATE.] This act is effective upon approval by resolution of the St. Paul city council and by resolution of the metropolitan transit commission. The resolutions shall be adopted after published notice to the public and public hearing."*

**Amend the title as follows:**

**Page 1, line 4, delete "authorizing"**

**Page 1, delete line 5**

**Page 1, line 6, delete "Ramsey County;"**

**Page 1, line 10, after "of" insert "capital improvement"**

**Page 1, line 11, delete everything after "by"**

**Page 1, delete lines 12 and 13**

**Page 1, line 14, delete everything before "by" and insert "the Twin Cities Metropolitan Transit Commission; amending Minnesota Statutes, 1979 Supplement, Section 473.436,"**

**Mr. Tennessen moved that S. F. No. 1261 be re-referred to the Committee on Transportation.**

## CALL OF THE SENATE

Mr. Schaaf imposed a call of the Senate for the balance of the proceedings on S. F. No. 1261. The following Senators answered to their names:

Anderson	Gearty	Lessard	Pillsbury	Stern
Bang	Gunderson	Luther	Purfeerst	Stokowski
Barrette	Hanson	McCutcheon	Renneke	Strand
Benedict	Hughes	Menning	Rued	Tenessen
Bernhagen	Humphrey	Moe	Schaaf	Ueland, A.
Brataas	Jensen	Nelson	Schmitz	Ulland, J.
Chmielewski	Johnson	Nichols	Setzepfandt	Vega
Davies	Keefe, J.	Ogdahl	Sieloff	Wegener
Dieterich	Kirchner	Olhoff	Sikorski	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knutson	Penny	Spear	
Frederick	Laufenburger	Peterson	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Tennessen.

The roll was called, and there were yeas 20 and nays 42, as follows:

Those who voted in the affirmative were:

Barrette	Dieterich	Luther	Renneke	Spear
Benedict	Gunderson	Menning	Rued	Staples
Bernhagen	Knaak	Olhoff	Schmitz	Tenessen
Davies	Knutson	Purfeerst	Sieloff	Ulland, J.

Those who voted in the negative were:

Anderson	Hanson	Laufenburger	Perpich	Stokowski
Ashbach	Hughes	Lessard	Peterson	Strand
Bang	Humphrey	McCutcheon	Pillsbury	Ueland, A.
Brataas	Jensen	Moe	Schaaf	Vega
Chmielewski	Johnson	Nelson	Setzepfandt	Wegener
Dunn	Keefe, J.	Nichols	Sikorski	Willet
Engler	Keefe, S.	Ogdahl	Sillers	
Frederick	Kirchner	Olson	Solon	
Gearty	Kleinbaum	Penny	Stern	

The motion did not prevail.

The question recurred on the motion of Mr. Schaaf. The motion prevailed. So the amendment was adopted.

S. F. No. 1261 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederick	Humphrey	Keefe, S.
Ashbach	Chmielewski	Gearty	Jensen	Kirchner
Bang	Dunn	Hanson	Johnson	Kleinbaum
Bernhagen	Engler	Hughes	Keefe, J.	Knoll

Laufenburger	Nichols	Purfeerst	Stern	Willet
Lessard	Ogdahl	Schaaf	Stokowski	
Menning	Perpich	Setzepfandt	Ueland, A.	
Moe	Peterson	Sillers	Vega	
Nelson	Pillsbury	Solon	Wegener	

Those who voted in the negative were:

Barrette	Knaak	Olhoft	Schmitz	Tennessee
Benedict	Knutson	Olson	Sieloff	
Davies	Luther	Penny	Spear	
Dieterich	McCutcheon	Renneke	Staples	
Gunderson	Merriam	Rued	Strand	

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Hanson moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, February 4, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SIXTY-FOURTH DAY**

St. Paul, Minnesota, Monday, February 4, 1980

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

**CALL OF THE SENATE**

Mr. Keefe, S. imposed a call of the Senate. The following Senators answered to their names:

Bang	Gunderson	Lessard	Pillsbury	Staples
Barrette	Hughes	Luther	Renneke	Stern
Benedict	Humphrey	McCutcheon	Rued	Stokowski
Bernhagen	Jensen	Menning	Schaaf	Strand
Chmielewski	Johnson	Merriam	Schmitz	Ueland, A.
Davies	Keefe, S.	Moe	Sieloff	Ulland, J.
Dieterich	Kirchner	Nelson	Sikorski	Wegener
Dunn	Kleinbaum	Olson	Sillers	Willet
Engler	Knaak	Perpich	Solon	
Frederick	Laufenburger	Peterson	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Arnold H. Heumann.

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

Bang	Hughes	Luther	Peterson	Staples
Barrette	Humphrey	McCutcheon	Pillsbury	Stern
Benedict	Jensen	Menning	Purfeerst	Stokowski
Bernhagen	Johnson	Merriam	Renneke	Strand
Chmielewski	Keefe, J.	Moe	Rued	Stumpf
Davies	Keefe, S.	Nelson	Schaaf	Tennessee
Dieterich	Kirchner	Nichols	Schmitz	Ueland, A.
Dunn	Kleinbaum	Ogdahl	Sieloff	Ulland, J.
Engler	Knaak	Olhoft	Sikorski	Vega
Frederick	Knoll	Olson	Sillers	Wegener
Gearly	Laufenburger	Penny	Solon	Willet
Gunderson	Lessard	Perpich	Spear	

The President declared a quorum present.

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

**MEMBERS EXCUSED**

Messrs. Anderson, Hanson, Setzepfandt and Mrs. Brataas were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Mr. Keefe, S. introduced—**

**S. F. No. 1775:** A bill for an act relating to workers' compensation; permitting the workers' compensation reinsurance association to incorporate; exempting the reinsurance association from taxation; providing for amendment to the reinsurance association plan of operation; making changes in rules, requirements and procedures affecting members of the reinsurance association; increasing temporary partial benefits; amending Minnesota Statutes 1978, Section 176.101, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 79.34; 79.35; 79.36; 79.37; and 79.38; repealing Minnesota Statutes, 1979 Supplement, Sections 79.41 and 79.42.

Referred to the Committee on Employment.

**Mr. Keefe, S. introduced—**

**S. F. No. 1776:** A bill for an act relating to unemployment compensation; providing for the non-charging of benefits to non-profit organizations who continue to provide part-time employment to individuals terminated by their full-time employers; amending Minnesota Statutes 1978, Section 268.06, Subdivision 28; and Minnesota Statutes, 1979 Supplement, Section 268.06, Subdivision 33.

Referred to the Committee on Employment.

**Messrs. Knutson, Ashbach and Mrs. Knaak introduced—**

**S. F. No. 1777:** A resolution memorializing the Civil Aeronautics Board and the President of the United States to authorize non-stop service by Northwest Airlines between Minneapolis-St. Paul and London.

Referred to the Committee on Transportation.

**Messrs. Menning, Luther and Pillsbury introduced—**

**S. F. No. 1778:** A bill for an act relating to interim claims against the state; appropriating money for the payment thereof.

Referred to the Committee on Finance.

**Messrs. Olhoft, Strand, Willet, Menning and Wegener introduced—**

**S. F. No. 1779:** A bill for an act relating to taxation; income; excluding certain interest income from gross income; amending

Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Keefe, J. introduced—

S. F. No. 1780: A bill for an act appropriating money to pay certain construction and engineering costs incurred by the city of Minnetonka on a temporary trunk highway.

Referred to the Committee on Transportation.

Messrs. Nichols and Strand introduced—

S. F. No. 1781: A bill for an act relating to health; assisting rural health cooperatives; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Solon, Strand, Ogdahl and Renneke introduced—

S. F. No. 1782: A bill for an act relating to retirement; Duluth teachers retirement fund association; authorizing an increase in retirement allowances and benefits for certain teachers; establishing a new coordinated retirement program within the retirement fund association; amending Minnesota Statutes, 1979 Supplement, Sections 354A.011, Subdivision 11; 354A.092; 354A.093; 354A.12, Subdivisions 1 and 2; 354A.24; 354A.32; 354A.39; and 354A.41.

Referred to the Committee on Governmental Operations.

Messrs. Davies and Keefe, S. introduced—

S. F. No. 1783: A bill for an act relating to elections; providing for hearings of contested legislative elections; amending Minnesota Statutes 1978, Sections 209.02, Subdivision 4a; 209.09; and 209.10, Subdivision 1.

Referred to the Committee on Elections.

Messrs. Engler, Sieloff, Mrs. Knaak and Mr. Sillers introduced—

S. F. No. 1784: A bill for an act relating to taxation; income tax; excluding certain interest income from gross income; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, Bernhagen, Moe, Hanson and Lessard introduced—

S. F. No. 1785: A bill for an act relating to game and fish; authorizing moose seasons in the discretion of the commissioner;

amending Minnesota Statutes 1978, Section 100.27, Subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Keefe, S.; Knoll; Gearty; Mrs. Stokowski and Mr. Spear introduced—

S. F. No. 1786: A bill for an act relating to taxation; real property; reducing the assessment ratio for certain property; amending Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Keefe, S.; Ashbach; Gearty and Coleman introduced—

S. F. No. 1787: A bill for an act relating to ethics in government; changing certain procedures and standards concerning election campaign financing; appropriating money; amending Minnesota Statutes 1978, Sections 10A.01, by adding subdivisions; 10A.13, by adding a subdivision; 10A.20, Subdivision 3; 10A.25, Subdivision 1; 10A.27, Subdivisions 1, 2 and 8; 10A.28, Subdivisions 1, 3 and 4; 10A.30, Subdivision 2; 10A.31, Subdivisions 1, 2, 3, 4, 5, and by adding subdivisions; and 10A.32, Subdivisions 1, 3, and by adding a subdivision; repealing Minnesota Statutes 1978, Sections 10A.25, Subdivisions 2 to 7, and 10; 10A.27, Subdivision 7; 10A.28, Subdivision 2; 10A.31, Subdivisions 3a, and 6 to 11; 10A.32, Subdivisions 2, 3a, 3b and 4; 10A.33; and 10A.335.

Referred to the Committee on Elections.

Messrs. Schaaf, Penny, Ashbach and Ogdahl introduced—

S. F. No. 1788: A bill for an act relating to education; modifying rule making procedures and the tuition exemption authority of the state university board; allowing a change in the placement service registration fee at state universities; eliminating a visitation and reporting duty of the state university board and a reporting duty of state university presidents; eliminating a provision governing state university rules which conflict with the provisions of certain collective bargaining contracts; amending Minnesota Statutes 1978, Sections 136.11, Subdivisions 1 and 8; and 136.14; repealing Minnesota Statutes 1978, Sections 136.148 and 136.15.

Referred to the Committee on Governmental Operations.

Messrs. Merriam and Sieloff introduced—

S. F. No. 1789: A bill for an act relating to taxation; estate tax; making technical adjustments and clarifying certain pro-

visions; amending Minnesota Statutes 1978, Sections 290.077, Subdivision 4; 291.07, Subdivision 3; 291.111, Subdivision 2; 291.15; 291.18; 291.32, Subdivision 1; 291.33, by adding a subdivision; 501.211, Subdivision 3, and by adding a subdivision; 524.3-505; 524.3-1003; 525.532, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; 290.14; 291.005, Subdivision 1; 291.01; 291.015; 291.03; 291.05; 291.051; 291.06; 291.07, Subdivision 1; 291.075; 291.09, Subdivisions 1a and 4a; 291.132; 291.215, Subdivision 1; 291.33, Subdivision 1; 524.3-105; and 524.3-1001; repealing Minnesota Statutes, 1978, Sections 291.17; 291.20, Subdivision 4; and Minnesota Statutes, 1979 Supplement, Sections 291.111, Subdivision 1; and 291.19.

Referred to the Committee on Taxes and Tax Laws.

Mr. Sieloff introduced—

S. F. No. 1790: A bill for an act relating to the county attorney; requiring the county attorney to prosecute persons under certain circumstances; excepting Hennepin County; amending Minnesota Statutes 1978, Chapter 388, by adding a section.

Referred to the Committee on Judiciary.

Messrs. Peterson and Olhoft introduced—

S. F. No. 1791: A bill for an act relating to the environment; requiring the pollution control agency to promulgate a separate set of rules for solid waste control in rural areas; amending Minnesota Statutes 1978, Section 116.07, Subdivisions 2 and 4.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Peterson; Gunderson; Penny; Ueland, A. and Olson introduced—

S. F. No. 1792: A bill for an act relating to game and fish; prohibiting the taking of raccoon by nonresidents; amending Minnesota Statutes, 1979 Supplement, Sections 98.46, Subdivision 14; and 100.27, Subdivision 3.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Renneke, Gunderson, Menning, Strand and Schmitz introduced—

S. F. No. 1793: A bill for an act relating to government meetings; clarifying application of the open meeting law to town supervisors; amending Minnesota Statutes 1978, Section 471.705, Subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Gunderson, Penny and Laufenburger introduced—

S. F. No. 1794: A bill for an act relating to state lands; authorizing the sale at public auction of lands and interests in lands located in Mower and Fillmore Counties.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Sieloff introduced—

S. F. No. 1795: A bill for an act relating to children; authorizing a multi-purpose declaration of parentage; amending Minnesota Statutes 1978, Chapter 257, by adding a section.

Referred to the Committee on Judiciary.

Mr. Sieloff introduced—

S. F. No. 1796: A bill for an act relating to economic development; regulating development loans to Indians; amending Minnesota Statutes 1978, Section 362.40, Subdivisions 2 and 8; Minnesota Statutes, 1979 Supplement, Section 362.40, Subdivision 9; repealing Minnesota Statutes 1978, Section 362.40, Subdivision 3.

Referred to the Committee on Employment.

Mr. Sieloff introduced—

S. F. No. 1797: A bill for an act relating to the Minnesota zoological garden; supplementing and clarifying the authority of the zoological garden board in regard to penalties for rule violations; regulating the use of the name or mark of the garden; providing penalties; amending Minnesota Statutes 1978, Section 85A.02, Subdivision 7; and Chapter 333, by adding sections.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Sieloff introduced—

S. F. No. 1798: A bill for an act relating to the military; extending indefinitely the duration of the authority of the adjutant general to acquire lands for military training from funds available in the military land fund; repealing certain obsolete provisions relating to the military land fund; amending Minnesota Statutes 1978, Sections 190.25; 190.26, Subdivision 1; 190.29; 190.30, Subdivisions 1, 5 and 6; and repealing Minnesota Statutes 1978, Sections 190.26, Subdivisions 2 and 3; and 190.27.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Spear, Knoll, Schmitz, Barrette and Tennessen introduced—

S. F. No. 1799: A bill for an act relating to judicial procedures;

changing the procedures and circumstances under which guardians and conservators may be appointed; changing the powers and duties of guardians and conservators; providing for the appointment, powers, and duties of guardians and conservators of minors; amending Minnesota Statutes 1978, Sections 525.54; 525.541; 525.542; 525.543; 525.544; 525.55; 525.56; 525.57; 525.58; 525.581; 525.583; 525.59; 525.591; 525.60, Subdivision 1; 525.62; 525.63; 525.67; 525.69; 525.83; and Chapter 525, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 525.551; and 525.61; repealing Minnesota Statutes 1978, Sections 525.60, Subdivision 2; 525.611; 525.612; 525.613; 525.614; and 525.621.

Referred to the Committee on Judiciary.

Mr. Johnson introduced—

S. F. No. 1800: A bill for an act relating to food; exempting charitable donors of distressed food and charitable organizations from liability for injuries in certain circumstances; amending Minnesota Statutes 1978, Section 31.495, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Davies, Sieloff, Setzepfandt and Tennesen introduced—

S. F. No. 1801: A bill for an act relating to the family; changing certain procedures and criteria for termination of parental rights; amending Minnesota Statutes 1978, Sections 260.221; 260.241, Subdivisions 1 and 2; and Chapter 260, by adding a section.

Referred to the Committee on Judiciary.

Messrs. Davies, Sieloff, Hanson, Knutson and Tennesen introduced—

S. F. No. 1802: A bill for an act relating to foreign corporations; removing certain deficiencies and ambiguities; defining certain activities that do not constitute transacting business in the state; and removing limitations on engaging in the business of making real estate loans; amending Minnesota Statutes 1978, Sections 303.02, Subdivision 3; 303.03; 303.04; and 303.25.

Referred to the Committee on Judiciary.

Messrs. Davies, Hanson and Sieloff introduced—

S. F. No. 1803: A bill for an act relating to commerce; restricting the scope of the corporate take-over statute; amending Minnesota Statutes 1978, Sections 80B.02, Subdivision 5; 80B.03, Subdivisions 2 and 3; repealing Minnesota Statutes 1978, Sections 80B.02, Subdivision 8; and 80B.03, Subdivisions 4 and 5.

Referred to the Committee on Commerce.

Messrs. Keefe, S.; Spear; Johnson and Vega introduced—

S. F. No. 1804: A bill for an act relating to unemployment compensation; changing certain provisions relating to disqualification from benefits; amending Minnesota Statutes 1978, Section 268.09, Subdivisions 1, as amended, and 2, as amended, and by adding a subdivision.

Referred to the Committee on Employment.

Messrs. Hughes, Coleman, Humphrey, Knoll and Barrette introduced—

S. F. No. 1805: A bill for an act relating to education; designating the birthday of Martin Luther King as a special observance day in public schools; eliminating a reference to the amount of time that may be spent for certain instruction and programs on a special observance day; amending Minnesota Statutes 1978, Section 126.10.

Referred to the Committee on Education.

Messrs. Laufenburger, Barrette, Mmes. Staples, Knaak and Mr. Moe introduced—

S. F. No. 1806: A bill for an act relating to economic development; creating a small business finance agency with authority to borrow to provide loans for small business projects.

Referred to the Committee on Employment.

Messrs. Frederick and McCutcheon introduced—

S. F. No. 1807: A bill for an act relating to taxation; income; property tax refund; deleting obsolete and unnecessary provisions and references; amending Minnesota Statutes 1978, Sections 290.03; 290.07, Subdivision 4; 290.071, Subdivision 1; 290.073; 290.077, Subdivision 4; 290.08, Subdivisions 3, 8 and 13; 290.09, Subdivisions 5, 13 and 25; 290.095, Subdivisions 3 and 8; 290.131, Subdivision 1; 290.18, Subdivision 1; 290.28, Subdivision 3; 290.311, Subdivisions 1 and 2; 290.32; 290.361, Subdivision 2; 290.38; 290.40; 290.49, Subdivision 1; 290.62; 290.65, Subdivisions 2, 7, 9, 13 and 16; 290.92, Subdivisions 2a, 5, 13 and 15; 290.93, Subdivisions 5 and 9; 290.931, Subdivision 1; 290.932, Subdivision 1; 290.936; 290.97; 290.972, Subdivisions 2 and 3; 290A.07, Subdivision 1; Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; and 290A.03, Subdivisions 3 and 13; repealing Minnesota Statutes 1978, Sections 290.06, Subdivisions 2b, 3a and 3b; 290.08, Subdivisions 4 and 5; 290.086; 290.087; 290.09, Subdivisions 11 and 20; 290.095, Subdivision 6; 290.31, Subdivision 28; 290.34, Subdivision 4; 290.361, Subdivision 4; 290.363; 290.45, Subdivision 2a; 290.49, Subdivision 9; 290.53, Subdivision 6; 290.65, Subdivisions 8, 14 and 15; 290.66; 290.68; 290.69; 290.93, Subdivision 12; 290.932, Subdivision 5; 290.95; 290.96; and 290.972, Subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Setzepfandt, Strand, Peterson, Nichols and Ogdahl introduced—

S. F. No. 1808: A bill for an act relating to commerce; providing penalties for usurious contracts; amending Minnesota Statutes 1978, Section 334.02; repealing Minnesota Statutes 1978, Sections 334.03 and 334.05.

Referred to the Committee on Commerce.

Mr. Ueland, A. introduced—

S. F. No. 1809: A bill for an act relating to taxation; real property; providing that boards of review and equalization shall not increase certain assessments; amending Minnesota Statutes 1978, Sections 274.01, Subdivision 1, and 274.13, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Strand, Setzepfandt, Engler, Nichols and Penny introduced—

S. F. No. 1810: A bill for an act relating to motor vehicles; registration and taxation; exempting certain tax exempt vehicles from special markings; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Setzepfandt, Strand, Engler and Purfeerst introduced—

S. F. No. 1811: A bill for an act relating to transportation; excluding minor pipeline relocations caused by highway construction from certain easement or right-of-way agreement provisions; amending Minnesota Statutes, 1979 Supplement, Section 116I.01, Subdivision 2.

Referred to the Committee on Transportation.

Messrs. Setzepfandt, Peterson, Engler and Schmitz introduced—

S. F. No. 1812: A bill for an act relating to motor vehicles; authorizing the identification of certain tax exempt vehicles by use of removable plates or placards; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Setzepfandt and Engler introduced—

S. F. No. 1813: A bill for an act relating to mobile homes;

permitting the sale of mobile homes from a residence; amending Minnesota Statutes 1978, Section 327.55, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Setzepfandt, Nichols and Schmitz introduced—

S. F. No. 1814: A bill for an act relating to commerce; authorizing floating interest rates for contracts for deed on residential property.

Referred to the Committee on Commerce.

Messrs. Bang, Laufenburger, Ogdahl, Davies and Spear introduced—

S. F. No. 1815: A bill for an act relating to commerce; providing for service of legal process on nonresident brokers and salespersons licensed to do business in Minnesota; amending Minnesota Statutes 1978, Section 82.31, Subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Johnson and McCutcheon introduced—

S. F. No. 1816: A bill for an act relating to taxation; abolishing the office of the St. Louis County assessor; providing for the assessment of property in St. Louis County by local assessors; amending Minnesota Statutes 1978, Sections 273.052 and 273.063.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knoll; Hughes; Spear; Ulland, J. and Keefe, S. introduced—

S. F. No. 1817: A bill for an act relating to education; permitting the state board of education to award scholarships to Indian students attending a college preparatory school; amending Minnesota Statutes 1978, Section 124.48.

Referred to the Committee on Education.

Messrs. Olson, Knoll, Mrs. Knaak, Messrs. Wegener and Jensen introduced—

S. F. No. 1818: A bill for an act relating to occupations and professions; providing for licensing of public accountants; amending Minnesota Statutes, 1979 Supplement, Section 326.191.

Referred to the Committee on Commerce.

Messrs. Engler, Bang, Bernhagen and Rued introduced—

S. F. No. 1819: A bill for an act relating to state departments;

requiring final approval from the legislature for rules promulgated under the administrative procedure act; amending Minnesota Statutes 1978, Sections 15.0412; 15.0413, Subdivision 1; and 15.052, Subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Engler, Frederick, Bang, Stern and Schmitz introduced—

S. F. No. 1820: A bill for an act relating to highway traffic regulations; speed limits; authorizing cities to establish speed limits on streets and highways under their jurisdiction; placing restrictions on such limits; amending Minnesota Statutes 1978, Section 169.14, Subdivision 5.

Referred to the Committee on Transportation.

Messrs. Engler, Schmitz, Laufenburger, Setzepfandt and Penny introduced—

S. F. No. 1821: A bill for an act relating to highway traffic regulations; authorizing an annual permit for vehicles equipped with more than four axles and prescribing a fee therefor; providing that certain axles registered after a certain date shall not be deemed a trailer; amending Minnesota Statutes 1978, Section 169.86, by adding a subdivision; and Chapter 169, by adding a section.

Referred to the Committee on Transportation.

Messrs. Engler, Sikorski, Laufenburger, Gunderson and Stern introduced—

S. F. No. 1822: A bill for an act relating to the Minnesota-Wisconsin boundary area commission; providing that the terms of commissioners shall be staggered; amending Minnesota Statutes 1978, Section 1.33.

Referred to the Committee on Governmental Operations.

Messrs. Davies, Sieloff, Knoll and Knutson introduced—

S. F. No. 1823: A bill for an act relating to intoxicating liquor; expressly allowing negligence actions based upon illegal sale or furnishing; amending Minnesota Statutes 1978, Section 340.95.

Referred to the Committee on Judiciary.

Messrs. Hughes, Gunderson, Nelson, Mrs. Knaak and Mr. Sikorski introduced—

S. F. No. 1824: A bill for an act relating to retirement; payments of contributions by and on behalf of teachers on extended

leaves; amending Minnesota Statutes 1978, Section 354.094, Subdivision 1; and Minnesota Statutes, 1979 Supplement, Section 354.094, Subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Hughes introduced—

S. F. No. 1825: A bill for an act relating to state government; permitting payroll deductions for the Minnesota Benefit Association; amending Minnesota Statutes 1978, Section 10.39, Subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Davies, Sieloff and Gearty introduced—

S. F. No. 1826: 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, 1979 Supplement, Section 524.3-706.

Referred to the Committee on Judiciary.

Messrs. Luther, Spear, Humphrey and Laufenburger introduced—

S. F. No. 1827: A bill for an act proposing an amendment to the Minnesota Constitution, Article IV, Section 12; adding a section to allow the legislature or presiding officers to call a special session.

Referred to the Committee on Governmental Operations.

Messrs. Olhoft and Peterson introduced—

S. F. No. 1828: A bill for an act relating to veterans; establishing at the Fergus Falls State Hospital a domiciliary home for veterans and a unit for the treatment of drug dependent persons; making appropriations; amending Minnesota Statutes 1978, Sections 253.015 and 254A.03, by adding a subdivision.

Referred to the Committee on Veterans' Affairs.

Messrs. Hughes, Sillers, Anderson, Barrette and Wegener introduced—

S. F. No. 1829: A bill for an act relating to education; providing special instruction and services to certain handicapped children beginning from birth; appropriating money; amending Minnesota Statutes 1978, Section 120.17, Subdivision 1.

Referred to the Committee on Education.

Messrs. Schmitz, McCutcheon, Menning, Engler and Setzpfandt introduced—

S. F. No. 1830: A bill for an act relating to public welfare; providing access to criminal conviction data of certain applicants for licenses; amending Minnesota Statutes 1978, Section 245.783, Subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Dunn, Bang, Laufenburger, Kleinbaum and Johnson introduced—

S. F. No. 1831: A bill for an act relating to intoxicating liquor; permitting municipalities to issue on-sale licenses to veterans' organizations in existence at least two years; amending Minnesota Statutes, 1979 Supplement, Section 340.11, Subdivision 11.

Referred to the Committee on Commerce.

Messrs. Dunn, Tennesen, Laufenburger, Davies and Mrs. Brataas introduced—

S. F. No. 1832: A bill for an act relating to public utilities and telephone companies; regulating delinquency charges on customer or subscriber accounts.

Referred to the Committee on Commerce.

Messrs. Purfeerst and Chmielewski introduced—

S. F. No. 1833: A bill for an act relating to crimes; prescribing penalties for the possession or sale of drug related devices.

Referred to the Committee on Judiciary.

Messrs. Knutson; Tennesen; Keefe, J. and Knoll introduced—

S. F. No. 1834: A bill for an act relating to taxation; deed tax; creating a state registered land assurance account; appropriating money; amending Minnesota Statutes 1978, Sections 287.21, Subdivision 2; 287.25; 287.29, Subdivision 1; 508.77; and Chapter 508, by adding a section.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S. F. No. 1835: A bill for an act relating to education; clarifying a term and removing obsolete language in provisions governing school district dissolution and attachment procedure, the consolidation procedure, the procedure for reorganizing a common school district, the procedure for calling special meetings in

common school districts, actions against certain school board members, actions against certain school employees, and the establishment of certain libraries; amending Minnesota Statutes 1978, Section 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 123.11, Subdivision 7; 127.09; 127.11; and 134.08.

Referred to the Committee on Education.

Messrs. Dieterich and Barrette introduced—

S. F. No. 1836: A bill for an act relating to courts; second judicial district; providing for the appointment of the juvenile court clerk; amending Laws 1951, Chapter 653, Section 1, as amended.

Referred to the Committee on Judiciary.

Messrs. Schmitz and Wegener introduced—

S. F. No. 1837: A bill for an act relating to elections; providing for towns to set their own hours for town elections; requiring polls to be open at least three hours; amending Minnesota Statutes 1978, Section 205.03, Subdivision 3.

Referred to the Committee on Elections.

Messrs. Menning, Schmitz, Wegener, Chmielewski and Rued introduced—

S. F. No. 1838: A bill for an act relating to industrial development; extending the industrial development law to all towns; amending Minnesota Statutes 1978, Section 474.02, Subdivision 2.

Referred to the Committee on Local Government.

Messrs. Knoll; Keefe, S. and Hughes introduced—

S. F. No. 1839: A bill for an act relating to education; extending the eligibility for a teacher's early retirement incentive; providing that each school district will determine the amount of the early retirement incentive within certain limits; increasing the percent of the incentive paid by the state; eliminating the added early retirement incentive for teachers in school districts implementing certain desegregation plans; amending Minnesota Statutes, 1979 Supplement, Section 125.61, Subdivisions 1, 3, 4 and 4b; repealing Minnesota Statutes, 1979 Supplement, Section 125.61, Subdivision 3a.

Referred to the Committee on Education.

Messrs. Menning, Purfeerst, Setzepfandt, Laufenburger and Rued introduced—

S. F. No. 1840: A bill for an act relating to agriculture; protecting agricultural operations from nuisance suits under certain circumstances; amending Minnesota Statutes 1978, Chapter 561, by adding a section.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Davies, Merriam and Barrette introduced—

S. F. No. 1841: A bill for an act relating to weights and measures; regulating and restricting conversion to the metric system of measurement; prescribing and limiting the powers and duties of public officers and agencies; enacting the uniform metric system procedure act; providing penalties; repealing Minnesota Statutes 1978, Sections 239.001; 239.002; 239.003; and 239.004.

Referred to the Committee on Commerce.

Messrs. Strand, Peterson, Lessard, Penny and Dunn introduced—

S. F. No. 1842: A bill for an act relating to agriculture; clarifying definition of warehouseman; requiring denaturing and labeling of certain foods; adopting certain federal food regulations; changing certain procedures; amending Minnesota Statutes 1978, Sections 28A.15, Subdivision 4; 31.02; and 218.041, Subdivisions 3 and 4; and Minnesota Statutes, 1979 Supplement, Section 31.101, Subdivision 8; and 231.01, Subdivision 5.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Stern, Willet, Nelson and Nichols introduced—

S. F. No. 1843: A bill for an act relating to transportation; establishing a state rail bank for abandoned rail lines; amending Minnesota Statutes 1978, Chapter 222, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 174.03, Subdivision 4; 222.50, Subdivision 7; and 222.65.

Referred to the Committee on Transportation.

Mr. Johnson introduced—

S. F. No. 1844: A bill for an act relating to advertising devices; authorizing advertising devices within 500 feet of local parks under certain circumstances; amending Minnesota Statutes 1978, Section 173.08, Subdivision 2.

Referred to the Committee on Local Government.

Mr. Johnson introduced—

S. F. No. 1845: A bill for an act relating to taxation; real

property; providing for the assessment of property used for residential purposes; amending Minnesota Statutes 1978, Sections 273.08 and 273.20.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Menning, Merriam, Hanson, Olhoft and Barrette introduced—

S. F. No. 1846: A bill for an act relating to crimes; prohibiting the sale of drug related devices, cigarette paper or the means for making cigarettes to minors and to any person if there is knowledge or reason to believe that the items will be used in violation of the controlled substance law; prohibiting the sale of objects which when assembled would constitute a drug related device; prohibiting owners of real property to lease or otherwise permit the use of their property for the retail sale of drug related devices; prescribing penalties.

Referred to the Committee on Judiciary.

Mr. Ueland, A. introduced—

S. F. No. 1847: A bill for an act relating to Blue Earth County; authorizing the county to contract for the completion of the improvement of county ditch No. 27; setting limits on the expenditure of money for the improvement; providing for financing; amending Laws 1975, Chapter 249, Section 1, Subdivision 1, as amended; and Section 2, as amended.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Chmielewski introduced—

S. F. No. 1848: A bill for an act relating to veterans; creating an outreach program for Vietnam era disabled veterans in the department of economic security's employment service; amending Minnesota Statutes 1978, Section 268.14, by adding a subdivision.

Referred to the Committee on Veterans' Affairs.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

June 18, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Corrections Board is hereby

respectfully submitted to the Senate for confirmation as required by law:

Henry Greencrow, 699 Ohio, St. Paul, Ramsey County, has been appointed by me, effective July 16, 1979, for a term expiring the first Monday in January, 1980.

(Referred to the Committee on Health, Welfare and Corrections.)

January 8, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Corrections Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Henry Greencrow, 699 Ohio, St. Paul, Ramsey County, has been appointed by me, effective January 7, 1980, for a term expiring the first Monday in January, 1986.

(Referred to the Committee on Health, Welfare and Corrections.)

September 13, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Corrections Board is hereby respectfully submitted to the Senate for confirmation as required by law:

James H. Bruton, Jr., 2179 Birch Street, White Bear Lake, Ramsey County, has been appointed by me, effective September 26, 1979, for a term expiring the first Monday in January, 1980.

(Referred to the Committee on Health, Welfare and Corrections.)

January 8, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Corrections Board is hereby respectfully submitted to the Senate for confirmation as required by law:

James H. Bruton, Jr., 2179 Birch Street, White Bear Lake,

Ramsey County, has been appointed by me, effective January 7, 1980, for a term expiring the first Monday in January, 1986.

(Referred to the Committee on Health, Welfare and Corrections.)

October 11, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Council is hereby respectfully submitted to the Senate for confirmation as required by law:

Patricia J. Hasselmo, 516 Westwood Drive South, Golden Valley, Hennepin County, has been appointed by me, effective October 19, 1979, for a term expiring the first Monday in January, 1981.

(Referred to the Committee on Governmental Operations.)

Sincerely,  
Albert H. Quie, Governor

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 1361.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned January 31, 1980

#### REPORTS OF COMMITTEES

Mr. Keefe, S. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1611: A bill for an act relating to local government; establishing the Moorhead-Clay County area redevelopment authority; terminating the existence of the Moorhead local redevelopment agency and the Clay County local redevelopment agency; granting certain powers to the city of Moorhead and the county of Clay.

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

Page 6, line 31, after "commissioners" insert ", two of which may be public officers or employees"

Page 8, line 1, delete "regular or special, up to" and insert "or

any meetings designated by the board for attendance by board members.”

Page 8, delete lines 2 and 3

Page 8, line 4, delete “\$1,000.”

Page 8, line 7, after “payment” insert “and until that resolution has been approved by the city council of the city of Moorhead and the board of Clay County commissioners”

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1433: A bill for an act relating to Washington County; providing for the appointment and compensation of probation officers; amending Laws 1978, Chapter 693, Section 2.

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

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1611 and 1433 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Bang moved that the name of Mrs. Brataas be added as co-author to S. F. No. 789. The motion prevailed.

Mr. Renneke moved that the names of Messrs. Wegener, Rued, Olhoft and Menning be added as co-authors to S. F. No. 1612. The motion prevailed.

Mr. Gunderson moved that the name of Mr. Dunn be added as co-author to S. F. No. 1649. The motion prevailed.

Mr. Nelson moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1709. The motion prevailed.

Mr. Keefe, S. moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1724. The motion prevailed.

Mr. Moe moved that the names of Messrs. Peterson and Nichols be added as co-authors to S. F. No. 1758. The motion prevailed.

Mr. Sillers moved that the name of Mr. Nelson be added as co-author to S. F. No. 1771. The motion prevailed.

Messrs. Johnson and Solon introduced—

Senate Resolution No. 43: A Senate Resolution concerning

the construction of the Arrowhead Bridge connecting the cities of Superior, Wisconsin, and Duluth, Minnesota; calling on the Wisconsin Department of Transportation to submit the fabricated steel portion of the construction contract for new bids.

Referred to the Committee on Employment.

### CONSENT CALENDAR

S. F. No. 1644: A bill for an act relating to eminent domain; providing for the taking of possession and title by the petitioner under certain circumstances; providing that certain payments deposited with the court shall be paid out under direction of the court; amending Minnesota Statutes 1978, Section 117.042.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Hughes	Luther	Peterson	Staples
Barrette	Humphrey	McCutcheon	Pillsbury	Stern
Benedict	Jensen	Menning	Purfeerst	Stokowski
Bernhagen	Johnson	Merriam	Renneke	Strand
Chmielewski	Keefe, J.	Moe	Rued	Stumpf
Davies	Keefe, S.	Nelson	Schaaf	Tennessee
Dieterich	Kirchner	Nichols	Schmitz	Ueland, A.
Dunn	Kleinbaum	Ogdahl	Sieloff	Ulland, J.
Engler	Knaak	Olhoff	Sikorski	Vega
Frederick	Knoll	Olson	Sillers	Wegener
Gearty	Laufenburger	Penny	Solon	Willet
Gunderson	Lessard	Perpich	Spear	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Keefe, S. moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, February 7, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SIXTY-FIFTH DAY

St. Paul, Minnesota, Thursday, February 7, 1980

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

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Bang	Frederick	Kleinbaum	Penny	Strand
Barrette	Gearty	Knaak	Perpich	Stumpf
Benedict	Gunderson	Laufenburger	Pillsbury	Tennessee
Bernhagen	Hanson	Lessard	Setzpfandt	Ueland, A.
Coleman	Hughes	Moe	Sikorski	Wegener
Davies	Humphrey	Nelson	Solon	Willet
Dunn	Johnson	Ogdahl	Spear	
Engler	Keefe, S.	Olson	Stokowski	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Dr. Joseph Simonson.

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

Ashbach	Frederick	Knaak	Olhoft	Sillers
Bang	Gearty	Knoll	Olson	Solon
Barrette	Gunderson	Knutson	Penny	Spear
Benedict	Hanson	Laufenburger	Perpich	Staples
Bernhagen	Hughes	Lessard	Peterson	Stokowski
Brataas	Humphrey	Luther	Pillsbury	Strand
Chmielewski	Jensen	McCutcheon	Renneke	Stumpf
Coleman	Johnson	Merriam	Schaaf	Tennessee
Davies	Keefe, J.	Moe	Schmitz	Ueland, A.
Dieterich	Keefe, S.	Nelson	Setzpfandt	Ulland, J.
Dunn	Kirchner	Nichols	Sieloff	Wegener
Engler	Kleinbaum	Ogdahl	Sikorski	Willet

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Anderson, Menning, Purfeerst, Rued, Stern and Vega were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Penny introduced—

S. F. No. 1849: A bill for an act relating to retirement; authorizing the purchase of service credit by teachers for certain periods of military service; amending Minnesota Statutes 1978, Section 354.53, Subdivisions 1 and 3; and Minnesota Statutes, 1979 Supplement, Section 354A.093.

Referred to the Committee on Governmental Operations.

Mr. Wegener introduced—

S. F. No. 1850: A bill for an act relating to courts; providing for travel expenses of district court judges; amending Minnesota Statutes 1978, Section 484.54, Subdivision 2.

Referred to the Committee on Judiciary.

Mr. Laufenburger introduced—

S. F. No. 1851: A bill for an act relating to state parks; excluding land from Whitewater State Park; providing for scenic easements in land excluded.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Nelson introduced—

S. F. No. 1852: A bill for an act relating to state government; altering the encumbrance requirements on contractual obligations incurred for the construction, improvement and maintenance of the trunk highway system; amending Minnesota Statutes 1978, Section 16A.15, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Davies, McCutcheon and Merriam introduced—

S. F. No. 1853: A bill for an act relating to taxation; removing limitations on the admissibility of sales ratio studies; providing that the commissioner may abate taxes without the favorable recommendation of certain county and city officers; providing that property tax court judges shall be learned in the law; providing that certain documents be made available to the petitioner and providing for their admittance as evidence; providing that tax court judgments will not include penalties; amending Minnesota Statutes 1978, Sections 270.07, Subdivision 1; 271.01, Subdivision 1; 278.01, Subdivision 1; 278.05; and 278.08; Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11.

Referred to the Committee on Judiciary.

Mr. Davies introduced—

S. F. No. 1854: A bill for an act relating to commerce; expanding the definition of a "sale of goods" as it applies to consumer credit sales to include certain terminable bailments or leases; clarifying the interests of the respective parties; providing for a certain contract provision; amending Minnesota Statutes 1978, Sections 325.94, Subdivision 5; and 325.941, by adding subdivisions.

Referred to the Committee on Commerce.

Messrs. Vega, Schaaf, Penny and Sikorski introduced—

S. F. No. 1855: A bill for an act relating to state government; creating an office of bond counsel in the office of the attorney general; restricting the use of private bond counsels by state agencies and political subdivisions; prescribing duties; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Purfeerst introduced—

S. F. No. 1856: A bill for an act relating to labor; permitting employers to refuse to hire spouses of those already employed; permitting employers to adopt and enforce work rules on assignment of spouses to certain jobs; amending Minnesota Statutes 1978, Section 363.03, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S. F. No. 1857: A bill for an act relating to veterans; prohibiting discrimination against Vietnam veterans; appropriating money; amending Minnesota Statutes 1978, Sections 43.15, Subdivision 6; 363.01, by adding a subdivision; 363.03, Subdivisions 1, 2, 3, 4 and 5; Minnesota Statutes, 1979 Supplement, Section 43.15, Subdivision 1.

Referred to the Committee on Veterans' Affairs.

Mr. Lessard introduced—

S. F. No. 1858: A bill for an act relating to snowmobiles; authorizing use in trapping related activities in certain counties; amending Minnesota Statutes, 1979 Supplement, Section 100.29, Subdivision 30.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Olson, Dunn, Penny, Renneke and Lessard introduced—

S. F. No. 1859: A bill for an act relating to the environment;

changing the membership of the environmental quality board; eliminating the citizens advisory committee; amending Minnesota Statutes 1978, Section 116C.03, Subdivision 2; repealing Minnesota Statutes 1978, Sections 116C.03, Subdivision 2a; 116C.04, Subdivisions 8 and 9; and 116C.05.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Davies, Sieloff and Dieterich introduced—

S. F. No. 1860: A bill for an act relating to taxation; income tax; allowing lending institutions and original sellers to qualify as tenant-stockholders of cooperative apartment corporations; amending Minnesota Statutes 1978, Section 290.09, Subdivision 17, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes, Merriam, Stumpf, Dunn and Rued introduced—

S. F. No. 1861: A bill for an act relating to education; changing the term "community schools" to "community education"; amending Minnesota Statutes 1978, Sections 120.76; 121.85; 121.86; 121.87; 121.88, Subdivisions 1, 2 and 3; and 124.271, Subdivision 4; Minnesota Statutes, 1979 Supplement, Sections 3.9279, Subdivision 7; 124.271, Subdivisions 1a, 2 and 5; and 275.125, Subdivision 8.

Referred to the Committee on Education.

Messrs. Purfeerst, Nelson and Peterson introduced—

S. F. No. 1862: A bill for an act relating to retirement; local police relief associations in cities of the third class; defining permissible investments; amending Minnesota Statutes 1978, Section 423.389.

Referred to the Committee on Governmental Operations.

Messrs. Merriam, Sieloff, Davies, Hanson and Tennessen introduced—

S. F. No. 1863: A bill for an act relating to courts; providing for additional clerk and administrator duties in conciliation court; providing that an informational pamphlet be prepared and distributed to parties in conciliation court; providing for a procedure to assist in collection of conciliation court judgments; providing penalties; amending Minnesota Statutes 1978, Sections 487.30, by adding subdivisions; 488A.13, Subdivision 2; 488A.16, Subdivision 8; 488A.30, Subdivision 2; and 488A.33, Subdivision 7.

Referred to the Committee on Judiciary.

Mr. Nelson introduced—

S. F. No. 1864: A bill for an act relating to no-fault automobile insurance; authorizing certain persons to elect to exclude basic economic loss benefits coverage from plans of reparation security covering certain motor vehicles; limiting the scope of the election; requiring plans of reparation security to contain notice; amending Minnesota Statutes 1978, Sections 65B.48, by adding subdivisions; and 65B.49, Subdivisions 1 and 2.

Referred to the Committee on Commerce.

Mr. Sieloff introduced—

S. F. No. 1865: A bill for an act relating to motor vehicles; clarifying penalty provisions for certain traffic violations; clarifying provisions which prohibit the operation of a motor vehicle while a driver's license is revoked or suspended; amending Minnesota Statutes 1978, Sections 169.141, Subdivision 2; 169.89, Subdivision 1; 171.20, Subdivision 2; and 171.24.

Referred to the Committee on Judiciary.

Messrs. Chmielewski, Rued, Kleinbaum and Solon introduced—

S. F. No. 1866: A bill for an act relating to mines and mining; regulation of exploratory boring for minerals by county and town boards under standards of the department of health; providing for penalties, injunctive relief and civil damages.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Sieloff and Spear introduced—

S. F. No. 1867: A bill for an act relating to occupations and professions; allowing legal education courses to substitute for real estate education courses under certain circumstances; amending Minnesota Statutes 1978, Section 82.22, Subdivision 13.

Referred to the Committee on Judiciary.

Mr. Schaaf introduced—

S. F. No. 1868: A bill for an act relating to health; authorizing the commissioner of health to investigate complaints under certain circumstances; amending Minnesota Statutes 1978, Section 214.13, by adding subdivisions.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Johnson introduced—

S. F. No. 1869: A bill for an act relating to economic develop-

ment; creating an iron range country program for tourism and other purposes; amending Minnesota Statutes 1978, Section 298.22, Subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Anderson, Wegener and Engler introduced—

S. F. No. 1870: A bill for an act relating to local government; permitting subdivision regulation of unplatted parcels; amending Minnesota Statutes 1978, Section 462.358, by adding a subdivision.

Referred to the Committee on Local Government.

Messrs. Chmielewski, Gearty and Laufenburger introduced—

S. F. No. 1871: A bill for an act relating to elections; providing that the cost of special elections may be discharged by special local levies.

Referred to the Committee on Taxes and Tax Laws.

Mr. Ulland, J. introduced—

S. F. No. 1872: A bill for an act relating to taxation; income; providing depreciation and amortization deductions for the rehabilitation and improvement of historic structures; disallowing expenses, losses and depreciation for the alteration or demolition of historic structures; clarifying amortization of historic property as a preference item for purposes of the minimum tax; providing for the treatment of gain realized on the sale of historic structures; amending Minnesota Statutes 1978, Sections 290.01, Subdivision 20; 290.09, by adding a subdivision; 290.091; and 290.16, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Rued, Frederick, Barrette and Sieloff introduced—

S. F. No. 1873: A bill for an act relating to taxation; income tax; excluding the first \$15,000 of pension income from gross income; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Ashbach, by request, introduced—

S. F. No. 1874: A bill for an act relating to workers' compensation insurance; permitting certain local units of government to join the reinsurance association; amending Minnesota Statutes, 1979 Supplement, Section 79.34, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Keefe, J.; Olson and Gunderson introduced—

S. F. No. 1875: A bill for an act relating to commerce; providing for ownership rights in dies and molds under certain conditions.

Referred to the Committee on Commerce.

Messrs. Sikorski, Solon, Sieloff, Bang and Spear introduced—

S. F. No. 1876: A bill for an act relating to financial institutions; excluding certain loans made by credit unions in calculating outstanding loans and risk assets for reserve fund purposes; amending Minnesota Statutes 1978, Section 52.17.

Referred to the Committee on Commerce.

Messrs. Vega; Nichols; Nelson; Keefe, S. and Luther introduced—

S. F. No. 1877: A bill for an act relating to labor; regulating migrant labor; requiring employers and recruiters to provide statements of hire to migrant workers; setting requirements for statements of hire and for payments of wages to migrant workers; providing for private causes of action.

Referred to the Committee on Employment.

Mr. Vega; Mrs. Staples; Messrs. Laufenburger; Keefe, S. and Luther introduced—

S. F. No. 1878: A bill for an act relating to the legislature; establishing a council on the economic status of minorities; appropriating money.

Referred to the Committee on Employment.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 687.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned February 4, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 924, 1074 and 1169.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted February 4, 1980

**FIRST READING OF HOUSE BILLS**

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

H. F. No. 924: A bill for an act relating to commerce; regulating conduct of business under assumed business names; amending Minnesota Statutes 1978, Sections 301.09; 333.01; 333.04; 333.06; and Chapter 333, by adding sections; repealing Minnesota Statutes 1978, Sections 333.001; 333.035; and 333.055.

Referred to the Committee on Commerce.

H. F. No. 1074: A bill for an act relating to courts; tenth judicial district; authorizing the position of civil commitment referee in Washington County; amending Minnesota Statutes 1978, Section 253A.21, by adding a subdivision; and Chapter 484, by adding a section.

Referred to the Committee on Judiciary.

H. F. No. 1169: A bill for an act relating to census taking; providing for the taking of special censuses by the United States bureau of the census rather than the secretary of state; providing for the approval of school district population estimates by the state demographer; providing for annual population estimates of governmental subdivisions by the state demographer and their use in the computation of tax levy limits and local government aid; abolishing the authority of the municipal board to determine the population of municipalities and towns; amending Minnesota Statutes 1978, Sections 4.12, Subdivision 7; 275.14; 275.45; 275.53; 414.01, Subdivision 14; 477A.01, Subdivision 4; and Chapter 477A, by adding a section; repealing Minnesota Statutes 1978, Sections 365.61; and 414.033, Subdivision 8.

Referred to the Committee on Governmental Operations.

**REPORTS OF COMMITTEES**

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision.

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

Page 1, line 15, after "*made*" insert "*to the same agencies and*"

Page 1, line 19, delete "*this act*" and insert "*sections 1 to 6*"

Page 3, delete lines 9 to 12

Renumber the remaining subdivision

Page 3, line 19, delete "*not exceed*" and insert "*be*"

Page 3, line 20, delete "*lesser*" and insert "*least*"

Page 3, after line 24, insert:

*"(b) The amount that the household would receive under the federal energy crisis assistance program if the household were eligible for that program; or"*

Page 3, line 25, delete "*(b)*" and insert "*(c)*"

Page 3, line 26, delete "*type of fuel*" and insert "*source of energy*"

Page 4, delete lines 20 to 23

Page 5, line 13, delete "*this act*" and insert "*sections 1 to 5*"

Page 5, after line 15, insert:

"Sec. 7. Minnesota Statutes, 1979 Supplement, Section 268.37, is amended to read:

268.37 [COORDINATION OF FEDERAL AND STATE RESIDENTIAL WEATHERIZATION PROGRAMS.] Subdivision 1. The department of economic security is the state agency to apply for, receive, and disburse ~~federal~~ money made available to the state by *state or federal law or rules promulgated thereunder* for the purpose of weatherizing the residences of low-income persons. The commissioner of economic security shall coordinate available federal money with ~~any~~ state money appropriated for this purpose.

Subd. 2. The commissioner shall make grants of *federal and state money* to community action agencies and other public or private nonprofit agencies for the purpose of weatherizing the residences of low-income persons. Grant applications shall be submitted in accordance with rules developed pursuant to 42 U.S.C., Sections 6861 to 6872, any other relevant federal weatherization program, and rules promulgated by the commissioner.

Subd. 3. The commissioner shall promulgate temporary rules as necessary to administer the grants program by July 1, 1979 and shall promulgate permanent rules by July 1, 1980. The rules shall describe: (a) procedures for the administration of grants, (b) data to be reported by grant recipients, and (c) other matters the commissioner finds necessary for the proper administration of the grant program including compliance with relevant federal regulations. Weatherization assistance shall be given to households where the total income does not exceed 125 percent of the poverty level as updated by the federal office of management and budget poverty guidelines.

Subd. 4. [SUPPLEMENTARY STATE GRANTS.] *The commissioner shall distribute supplementary state grants in a manner*

*consistent with the goal of producing the maximum number of weatherized units feasible. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units.*

*Criteria for the allocation of state grants to local agencies include: (a) existing local agency production levels, (b) availability of CETA resources in the area, (c) emergency needs, and (d) the potential for maintaining or increasing acceptable levels of production in the area.*

*An eligible local agency may receive advance funding for 90 days' production, but thereafter shall receive grants solely on the basis of program criteria.*

*Subd. 5. The commissioner shall submit reports to the legislature by March 1 of each year, 1980, and March 1, 1981, evaluating the weatherization program. The reports shall describe: (a) the number of households weatherized, (b) the average cost per household, (c) any change in energy consumption after weatherization, (d) outreach efforts, and (e) any other information the commissioner feels is relevant, including information routinely submitted to the federal government."*

Page 5, delete lines 18 to 33 and insert:

*"Subd. 4g. It may make grants to assist in energy conservation rehabilitation measures for existing housing including, but not limited to, ceiling insulation, storm windows and doors, furnaces, weatherstripping and caulking, and directly related repairs. The grant to any household shall not exceed \$2,000.*

*To be eligible for an energy conservation grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the statewide average for the preceding heating season for that energy source as determined by the energy agency, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program."*

Page 6, delete lines 1 to 5 and insert *"The housing finance agency shall make a reasonable effort to"*

Page 6, line 10, delete *"which"* and insert *"that"*

Page 6, after line 13, insert:

*"Temporary rules to implement this subdivision may be promulgated and amended pursuant to chapter 15. The temporary rules may remain in effect until July 1, 1981."*

Page 6, line 14, delete *"act"* and insert *"subdivision"*

Page 6, lines 14 and 15, delete *"from the"* and insert *"for"*

Page 6, line 15, delete *"grant fund"*

Page 6, line 17, delete "*the*"

Page 6, line 17, delete "*grant fund,*" and insert "*grants*"

Page 6, line 18, delete "*Such*"

Page 6, line 19, delete "*shall not be*" and insert "*are not*"

Page 7, line 7, after "*residences*" insert "*pursuant to section 7*"

Page 7, line 9, delete "*The appropriation in (e) is*"

Page 7, delete lines 10 and 11

Page 7, line 16, delete "7" and insert "8"

Page 7, line 26, after the period insert "*Sections 1 to 6 expire January 2, 1982.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, before the period, insert "; and Minnesota Statutes, 1979 Supplement, Section 268.37"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1772: A bill for an act relating to highway traffic regulations; authorizing an annual permit for certain oversize vehicles transporting implements of husbandry; prescribing limitations on the use of the vehicles; amending Minnesota Statutes 1978, Section 169.80, Subdivision 1.

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

Page 1, line 13, strike "any" and insert "a"

Page 1, line 15, strike the first "any" and insert "a"

Page 1, line 15, strike the second "any" and insert "a"

Page 1, line 19, strike "herein specified" and insert "*as prescribed in sections 169.80 to 169.88*"

Page 2, line 12, strike "said" and insert "*the*"

Page 2, line 22, strike "herein" and after "provided" insert "*by law*"

Page 2, line 26, strike "such" and insert "*the*"

Page 3, line 8, delete "*12-1/2*" and insert "*12*"

Page 3, delete lines 12 and 13, and insert:

*"(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 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, as provided in section 169.59, subdivision 4; and"*

Reletter the clauses in sequence

Page 3, line 17, delete "\$25" and insert "\$24"

Page 3, after line 17, insert:

"Sec. 2. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1584: A bill for an act relating to transportation; providing for advertising along certain highways.

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

Delete everything after the enacting clause and insert:

"Section 1. [DEFINITIONS.] Subdivision 1. For the purposes of sections 1 to 5 the terms defined in this section have the meanings given them.

Subd. 2. "Specific service sign" means a rectangular sign panel not greater than one and one-half feet by six feet displaying a resort or recreational camping area business name and, where appropriate, the direction to and distance to the camping area.

Subd. 3. "Specific service sign assembly" means a combination of specific service sign panels not to exceed four panels to be placed within the right of way on appropriate approaches to an intersection.

Subd. 4. "Specific service sign cluster" means a grouping of specific service sign assemblies not exceeding two in number on appropriate approaches to an intersection.

Subd. 5. "Nonfreeway type highway" means all roadways with crossing traffic at grade intersections except the roadway may have an isolated interchange.

Subd. 6. "Resort" has the meaning given it in Minnesota Statutes 1978, Section 157.01.

Subd. 7. "Recreational camping area" has the meaning given it in Minnesota Statutes 1978, Section 327.14, Subdivision 8.

Subd. 8. "Local road" means any nontrunk highway.

Subd. 9. "Specific service" means resorts or recreational camping areas that provide sleeping accommodations for the recreational traveler.

Sec. 2. [INTENDED USE.] Subdivision 1. [PURPOSE.] Specific service signs are to be used to create and implement a system of signing for the purpose of displaying resort and recreational camping area information to the traveling public on nonfreeway type trunk highways in rural areas. They may be used on by-passes of outstate municipalities consistent with other provisions, as provided in sections 1 to 5.

Subd. 2. [SPECIFIC SERVICE SIGNS ON NONFREEWAY HIGHWAYS.] A specific service sign may not be included in the signing of trunk highway intersections if the place of business is readily visible or effective directional advertising is visible or the sign can be legally and effectively located near the intersection. Specific service signs may be placed on the approaches of a trunk highway intersection with a local road.

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS.] A specific service sign for a resort or recreational camping area is limited to one intersection on the trunk highway system.

Subd. 4. [TRAILBLAZING.] Appropriate signing on local roads between a trunk highway intersection and a specific service shall be the responsibility of the specific service and the local road authority.

Subd. 5. [SIGNING STANDARDS.] Placement of specific service sign assemblies shall be in accordance with sections 1 to 5 and existing traffic control device standards.

Subd. 6. [RURAL ROAD MARKINGS.] Rural roads, named and marked in accordance with resolutions from their road authority, shall continue to be identified.

Sec. 3. [SIGN DETAILS.] Subdivision 1. [CONSTRUCTION OF SIGN.] Specific service sign panels shall be made of reflective sheeting and shall be on blue background with white letters, arrows and border. The directional arrow and mileage shall be displayed on the same side of the panel as the direction of turn. Signing for straight ahead movement shall not be permitted.

Subd. 2. [SPECIFIC SERVICE SIGN ASSEMBLIES.] Left directional panels shall be placed on top of the right directional panels. A gap shall separate a left panel from the right panel. An assembly shall be spaced preferably 300 feet, but a minimum of 200 feet from other required signing. If no other signing is located at an intersection, the assembly shall be placed 300 feet in advance of the intersection. Assemblies within a cluster shall not be placed closer than 300 feet. No specific service sign or assembly shall be placed at a location that will interfere with other necessary signing.

Sec. 4. [CRITERIA FOR SPECIFIC SERVICE SIGNS.] Subdivision 1. [CONFORMITY WITH LAW.] A specific service identified on a specific service sign shall be in conformity with all

applicable laws and regulations concerning the provisions for public accommodation without regard to race, religion, color, sex or national origin.

Subd. 2. [DISTANCE TO SPECIFIC SERVICE.] A specific service sign may be placed on a nonfreeway type road if the specific service is located within ten miles of the qualifying site.

Subd. 3. [RESORT WARRANT.] Resorts served by the specific service signing shall be licensed by the state department of health as required by Minnesota Statutes, Section 157.03.

Subd. 4. [RECREATIONAL CAMPING AREA.] Recreational camping areas shall possess a state department of health license as required by Minnesota Statutes, Section 327.15 and the following:

- (1) A minimum of 15 camping spaces;
- (2) Modern sanitary facilities (flush, chemical, or incinerator toilets) and drinking water; and
- (3) Services available 24 hours a day.

Sec. 5. [SIGNS; ADMINISTRATION; RULES.] Subdivision 1. [PROCEDURE.] A person who desires a specific service sign panel shall request the department of transportation to install the sign. The department of transportation may grant the request if the applicant qualifies for the sign panel and if space is available. All signs shall be fabricated, installed, maintained, replaced and removed by the department of transportation. The applicant shall pay a fee to the commissioner of transportation to cover all costs for fabricating, installing, maintaining, replacing and removing. The requests for specific service sign panels shall be renewed every three years.

Subd. 2. [SEASONAL SERVICES.] All sign panels for seasonal services shall be covered or removed when the service is not available.

Subd. 3. [COMMUNICATIONS.] Any new or participating specific service business shall respond to any communication from the commissioner of transportation within 30 days or an in place sign panel will be removed.

Subd. 4. [SIGN REMOVAL.] The specific service sign panels shall be removed by the department of transportation if any of the requirements in sections 1 to 5 are not continually met.

Sec. 6. [OTHER LAWS.] Sections 1 to 5 provide additional authority to erect signs on nonfreeway type highways and do not limit the authority to erect highway signs provided by other law or rule.

Sec. 7. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "advertising" and insert "specific information signing for resorts and recreational camping areas"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 523: A bill for an act relating to highway traffic regulations; limiting the length of certain vehicles and combinations of vehicles; prescribing a fee for certain permits; amending Minnesota Statutes 1978, Section 169.81, Subdivision 3, and by adding a subdivision.

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

Page 1, line 15, strike "such" and insert "*the*"

Page 1, line 18, strike ", provided that this" and insert " . *The*"

Page 1, line 21, after "and" insert "*is*"

Page 1, line 22, strike "Said" and insert "*The*"

Page 2, line 4, strike "in" and insert "*with*"

Page 2, line 4, strike "every" and insert "*a*"

Page 2, line 5, strike "such"

Page 2, line 5, strike "thereon"

Page 2, line 7, strike "any" and insert "*a*"

Page 2, line 8, strike "such" and insert "*the*"

Page 2, line 9, strike "such" and insert "*the*"

Page 2, line 10, strike "Said" and insert "*The*"

Page 2, line 16, strike "such"

Page 2, line 16, after the first "of" insert "*those*"

Page 2, line 20, strike "any" and insert "*a*"

Page 2, line 21, strike "therein" and insert "*within the city or town*"

Page 2, line 23, strike "herein contained" and insert "*in this subdivision*"

Page 2, line 27, strike "any" and insert "*a*"

Page 3, line 4, strike "any"

Page 3, line 16, delete "*provided*" and insert "*if*"

Page 3, line 18, delete "39" and insert "40"

Page 3, line 19, delete "*provided further, any*" and insert "*a*"

Page 3, line 21, delete "*shall*" and insert "*does*"

Page 3, after line 24, insert:

*"Sec. 3. [EFFECTIVE DATE.] Sections 1 and 2 are effective the day following final enactment."*

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

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

S. F. No. 1240: A bill for an act relating to natural resources; setting forth the rights of property owners whose property is purchased for conservation purposes; revising responsibilities of the commissioner of natural resources and the commissioner of administration in property acquisition; authorizing the commissioner of natural resources, with the approval of the state executive council to convey the interests of the state in lands for the purpose of correcting boundary description errors; amending Minnesota Statutes 1978, Sections 84.0272; 85.012, Subdivision 1; 85.015, Subdivision 1; 85.021, Subdivisions 1 and 2; 104.37, Subdivision 1; and 117.232, Subdivision 1.

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

Page 1, line 25, delete "*natural resource*"

Page 1, line 26, after "*acquired*" insert "*by the department of natural resources*"

Page 2, line 5, after "*shall*" insert "*not limit or change, but shall*"

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

Page 2, line 8, after "*fee*" insert "*or*"

Page 2, line 8, delete "*lands*" and insert "*lesser interest in land*"

Page 2, line 20, after "*All*" insert "*necessary*"

Page 2, line 20, after "*costs*" insert "*such as abstracting and recording fees*"

Page 2, line 20, delete the comma and insert a period

Page 2, line 21, delete "*excluding*"

Page 2, line 22, after "*fees*" insert "*are not reimbursable*"

Page 2, line 32, delete everything after "*made*"

Page 2, line 33, delete everything before the period

Page 3, line 2, delete "*complied with this clause;*" and insert "*physically inspected the property and given the landowner an opportunity to accompany him on inspections. The landowner shall be given a resume of the state's certified appraisal. The resume shall include the appraiser's conclusions as to value, acreage and type of land, value of buildings and other improvements,*

*value of timber, special damages and any special elements of value;"*

Page 3, line 6, delete everything after "fees"

Page 3, line 7, delete "of \$500" and insert "as provided in section 117.232, subdivision 1,"

Page 3, line 13, after "receive" insert "or waive"

Page 3, line 32, delete "and use no coercive measures"

Page 4, line 9, delete everything after the period

Page 4, delete line 10

Page 4, line 11, delete everything before "no"

Page 4, line 13, delete "six" and insert "nine"

Page 4, line 13, after "required" insert ", unless the landowner, in writing, expressly requests a longer period of time"

Page 4, line 15, delete the last comma and insert a period

Page 4, delete line 16

Page 4, line 17, delete everything before "Unless" and insert "If the state elects not to purchase property upon which it has an option, it shall pay the landowner \$500 after the expiration of the option period. If the state elects to purchase the property,"

Page 4, line 21, delete everything before "title"

Page 4, line 21, delete "valid" and insert "marketable and the owner acts expeditiously to complete the transaction"

Page 6, line 14, reinstate the stricken language

Page 6, line 15, reinstate the stricken language before "ten"

Page 6, line 16, reinstate "the appraised value."

Pages 9 and 10, delete section 15

Page 10, line 6, delete "1979" and insert "1980"

Page 10, line 6, delete "15" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, after "2;" insert "and"

Page 1, line 15, delete "; and 117.232, Subdivision 1"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1471: A bill for an act relating to local government;

regulating elections in the city of Duluth and Independent School District 709; setting the filing dates in local primary elections back four weeks to allow the city additional time to prepare.

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1729: A bill for an act relating to crimes; eliminating the power of a sentencing court to stay the revocation of the driver's license of a person convicted of driving, operating or being in physical control of a motor vehicle while under the influence of alcohol or controlled substances or a combination thereof; amending Minnesota Statutes 1978, Sections 169.121, Subdivision 5; and 609.135, Subdivision 1.

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

Page 2, line 20, before the period insert "*or 169.129*"

Page 2, line 22, delete "*offenses*" and insert "*convictions*"

Page 2, line 23, delete "*committed*"

Amend the title as follows:

Page 1, line 7, after "thereof" insert ", or of driving after cancellation, suspension, or revocation of his driver's license"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1722: A bill for an act relating to corrections; prescribing penalties for persons who introduce contraband into state hospitals; amending Minnesota Statutes, 1979 Supplement, Section 243.55.

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

Page 2, after line 22, insert:

*"Sec. 2. This act is effective the day following final enactment and applies to crimes committed after that date."*

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1652: A bill for an act relating to crimes; prescribing penalties for the possession of controlled substances on school premises; amending Minnesota Statutes 1978, Section 152.15, by adding a subdivision.

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

### SECOND READING OF SENATE BILLS

S. F. No. 1471 was read the second time.

S. F. Nos. 1670, 1772, 1584, 523, 1240, 1729, 1722 and 1652 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

### MOTIONS AND RESOLUTIONS

Mrs. Staples introduced—

Senate Resolution No. 44: A Senate resolution relating to extending congratulations to Dr. Louis C. Cosentino for receiving the award of being designated one of America's Ten Outstanding Young Men for 1980.

Referred to the Committee on Rules and Administration.

Mr. Tennessen moved that the name of Mr. Kleinbaum be stricken and the name of Mr. Stern be added as co-author to S. F. No. 1028. The motion prevailed.

Mr. Merriam moved that the name of Mr. Peterson be added as co-author to S. F. No. 1789. The motion prevailed.

Mr. Schmitz moved that the name of Mr. Olhoft be added as co-author to S. F. No. 1837. The motion prevailed.

Mr. Kleinbaum moved that S. F. No. 1703 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Schaaf moved that S. F. No. 1272 be withdrawn from the Committee on Commerce and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Schaaf moved that his name be stricken as chief author and the name of Mr. Peterson be shown as chief author to S. F. No. 1157. The motion prevailed.

Mr. Hughes moved that S. F. No. 618 be taken from the table. The motion prevailed.

S. F. No. 618: A bill for an act relating to education; transferring certain functions of teacher licensing from the state board of education, the department of education and the commissioner of education to the board of teaching; eliminating the authority of the state board to require that superintendents have teaching experience; eliminating the requirement that certain rules of the board of teaching be approved by the board of education; reducing the membership of the board of teaching; requiring that the board of teaching adopt certain rules pursuant to chapter 15; eliminating certain requirements for rulemaking; providing that the expense of administering certain sections be paid

for solely from appropriations made to the board of teaching; amending Minnesota Statutes 1978, Sections 125.05, Subdivisions 1 and 2; 125.08; 125.182, Subdivision 2; 125.183, Subdivisions 1 and 3; 125.185, Subdivisions 4, 4a, 6 and 9; and 179.63, Subdivisions 13 and 14; repealing Minnesota Statutes 1978, Section 125.182, Subdivision 4.

#### CONCURRENCE AND REPASSAGE

Mr. Hughes moved that the Senate concur in the amendments by the House to S. F. No. 618 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 618: A bill for an act relating to education; transferring certain functions of teacher licensing from the state board of education, the department of education and the commissioner of education to the board of teaching; eliminating the requirement that certain rules of the board of teaching be approved by the board of education; reducing the membership of the board of teaching; requiring that the board of teaching adopt certain rules pursuant to chapter 15; eliminating certain requirements for rulemaking; providing that the expense of administering certain sections be paid for solely from appropriations made to the board of teaching; amending Minnesota Statutes 1978, Sections 125.03, by adding a subdivision; 125.05, Subdivisions 1 and 2; 125.06; 125.08; 125.09, Subdivision 1; 125.121, Subdivision 1; 125.182, Subdivision 2; 125.183, Subdivisions 1 and 3; 125.185, Subdivisions 4, 4a, 6 and 9; and 179.63, Subdivisions 13 and 14; repealing Minnesota Statutes 1978, Section 125.182, Subdivision 4.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 6, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Olson	Spear
Bang	Gearty	Knoll	Penny	Staples
Barrette	Gunderson	Knutson	Perpich	Stokowski
Benedict	Hanson	Laufenburger	Pillsbury	Stumpf
Bernhagen	Hughes	Luther	Renneke	Tennessee
Brataas	Humphrey	McCutcheon	Schaaf	Ueland, A.
Chmielewski	Jensen	Merriam	Schmitz	Ulland, J.
Coleman	Johnson	Moe	Sieloff	Wegener
Davies	Keefe, J.	Nelson	Sikorski	
Dunn	Kirchner	Nichols	Sillers	
Engler	Kleinbaum	Ogdahl	Solon	

Those who voted in the negative were:

Dieterich	Olhoff	Peterson	Setzepfandt	Willet
Keefe, S.				

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

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

#### MESSAGES FROM THE HOUSE

Mr. President:

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

S. F. No. 74: A bill for an act relating to elections; allowing post-election challenges to absent voters; permitting certain challenges of voters in an election contest; establishing conditions for compelling voters to disclose the manner in which they voted; clarifying and simplifying the procedures for instituting an election contest; extending the deadline for instituting an election contest after a general election; amending Minnesota Statutes 1978, Sections 204A.32, Subdivision 4; 209.02, Subdivisions 3, 4 and 4a; 209.06, Subdivision 2; and Chapter 209, by adding a section.

Senate File No. 74 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1979

Mr. Davies moved that the Senate do not concur in the amendments by the House to S. F. No. 74 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mrs. Brataas introduced—

Senate Resolution No. 45: A Senate resolution congratulating Rochester Lourdes High School for winning the 1979 Boy's State High School Class A Cross Country Title.

Referred to the Committee on Rules and Administration.

Mrs. Brataas introduced—

Senate Resolution No. 46: A Senate resolution congratulating Rochester Lourdes High School for winning the 1979 State High School Class A Football Championship.

Referred to the Committee on Rules and Administration.

#### SUSPENSION OF RULES

Mr. Coleman moved that the Rules of the Senate be so far

suspended as to allow amendment of Rule 62. The motion prevailed.

Mr. Coleman from the Subcommittee on Personnel of the Committee on Rules and Administration makes the following report: That the Permanent Rules of the Senate appearing in the Journal for January 22, 1980, be amended as follows:

**Rule 62.**

Under heading "Salary Per Day" in the "Administrative Secretary" classification, strike "\$44.66" and insert "2 @ \$44.66" and "1 @ \$47.28"

Under heading "Salary Per Day" in the "Committee Administrative Assistant" classification, strike "1 @ \$52.01" and before "@ \$56.73" strike "12" and insert "13"

Under heading "Salary Per Day" in the "Committee Secretary" classification, before "@ \$44.66" strike "14" and insert "9". After "9 @ \$44.66" insert "5 @ \$47.28"

Under heading "Salary Per Day" in the "Computer Services Supervisor" classification, strike "\$44.66" and insert "\$47.28"

Under heading "Salary Per Day" in the "Researcher" classification, strike "1 @ \$47.28" and insert "1 @ \$48.60" and strike "1 @ \$49.04" and insert "1 @ \$50.80". After "1 @ \$55.50" insert "1 @ \$60.28". Before "@ \$39.58" strike "3" and insert "2". Before "@ \$50.98" strike "1" and insert "2". Before "2 @ \$38.36" insert "1 @ \$36.98". Strike "1 @ \$48.37"

Under heading "Salary Per Day" in the "Secretary" classification, before "@ \$39.49" strike "4" and insert "2" and before "@ \$41.77" strike "14" and insert "16"

Under heading "Salary Per Day" in the "Senate Counsel" classification, strike "1 @ \$90.88" and insert "1 @ \$93.62"

Under heading "Salary Per Day" in the "Sergeant" classification, before "@ \$22.00" strike "2" and insert "1" and before "@ \$24.00" strike "11" and insert "12"

Under heading "Salary Per Day" in the "Word Processing Supervisor" classification, strike "\$44.66" and insert "\$47.28"

Under heading "Salary Per Day" in the "Administrative Assistant I" classification, strike "1 @ \$69.34" and insert "1 @ \$70.71"

Under heading "Number of Positions" in the "Researcher" classification, strike "19" and insert "20"

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

Mr. Coleman moved to amend Rule 62 in accordance with the report adopted today.

The question was taken on the adoption of the motion.

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

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Staples
Barrette	Gunderson	Laufenburger	Perpich	Stokowski
Benedict	Hanson	Lessard	Peterson	Strand
Bernhagen	Humphrey	Luther	Pillsbury	Stumpf
Brataas	Jensen	McCutcheon	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Schaaf	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Wegener
Dieterich	Kirchner	Nichols	Sieloff	Willet
Dunn	Kleinbaum	Ogdahl	Sikorski	
Engler	Knaak	Olhoff	Solon	
Frederick	Knoll	Olson	Spear	

The motion prevailed. So the rule was amended.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman, for the Subcommittee on Personnel of the Committee on Rules and Administration, offered the following resolution:

**BE IT RESOLVED**, by the Senate, that the following named persons be and are hereby appointed to the positions hereinafter stated and at the salaries heretofore fixed.

Cynthia Robinson, Page classification, effective January 22, 1980

Rochelle Barnhart, Researcher classification, effective January 30, 1980

Rev. Winfield V. Johnson, Chaplain, effective January 28, 1980

Rev. Arnold H. Heumann, Chaplain, effective February 4, 1980

Dr. Joseph Simonson, Chaplain, effective February 7, 1980

Mark Satterlee, transferred from Assistant Captain of Pages classification to Captain of Pages classification, effective January 30, 1980

David Odahowski, Clerk I classification, effective January 31, 1980

Christopher Darrell, Sergeant classification, effective February 1, 1980

Aaron Rivers, transferred from Clerk I classification to Sergeant classification, effective February 2, 1980

Janet Arth, Indexer, effective February 11, 1980

Robert Harvey, Page, effective February 8, 1980

Monsignor Terrence J. Murphy, Chaplain, effective February 11, 1980

Monsignor Ambrose V. Hayden, Chaplain, effective February 14, 1980

Rev. George C. Stierwald, Chaplain, effective February 18, 1980

Rev. Howard Skulstad, Chaplain, effective February 21, 1980

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

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

#### REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1665, 1646, 64 and 1611, makes the following report:

That the above Senate Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Hanson moved the adoption of the foregoing Committee report. The motion prevailed. Report adopted.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Keefe, J. moved that S. F. No. 1875 be withdrawn from the Committee on Commerce and re-referred to the Committee on General Legislation and Administrative Rules. The motion prevailed.

Mr. Schaaf moved that S. F. No. 1869 be withdrawn from the Committee on Agriculture and Natural Resources and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Humphrey moved that S. F. No. 1670 be withdrawn from the Subcommittee on Bill Scheduling of the Committee on Rules and Administration. The motion prevailed.

#### SUSPENSION OF RULES

Mr. Humphrey moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S. F. No. 1670 and that the rules of the Senate be so far suspended as to give S. F. No. 1670 its third reading and place it on its final passage. The motion prevailed.

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A. 21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 268.37.

Mr. Humphrey moved to amend S. F. No. 1670, the unofficial engrossment, as follows:

Page 8, line 27, delete “(a), (b), (c) and (d)” and insert “this subdivision”

The motion prevailed. So the amendment was adopted.

Mr. Dieterich moved to amend S. F. No. 1670, the unofficial engrossment, as follows:

Page 6, after line 33, insert:

“Sec. 8. Minnesota Statutes, 1979 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 “homeowners association” as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term “gross income” in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term “gross income” in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes 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 section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) 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.

(v) 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 amendments made to sections 219(c) (3) and 220(c) (4) (extending the time for which a taxpayer is deemed to have made a contribution to an individual retirement account for the taxable year) by section 157(a) of P.L. 95-600 shall be effective for taxable years beginning after December 31, 1977.

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 such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from federal income tax, but not from state income taxes;

(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 such 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 such previous taxable year.

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 or separate Minnesota income tax returns. In the case of 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 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) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7) or under section 290.09, subdivision 24;

(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 realized 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, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota; and

(14) Exempt-interest dividends, as defined in section 852(b) (5) (A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b) (5) (B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such 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 realized by a trust on the sale or exchange of property as defined in section 641(c) (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 50 per centum of such 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 such 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 resulting from such losses;

(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 such 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, 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, as amended through December 31, 1977. The maximum amount of this subtraction shall be \$10,000 less the amount by which the individual's federal adjusted gross income 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 \$10,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax

liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, 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 realized 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 after December 31, 1977 and before January 1, 1982 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The amount of gain on the sale of the taxpayer's residence excluded from the federal gross income of the taxpayer pursuant to section 121 of the Internal Revenue Code of 1954, as amended through December 31, 1978 provided that a taxpayer who elects under that section shall not, for the purpose of this subdivision, also take an exclusion according to the provisions of section 121 of the Internal Revenue Code, as amended through December 31, 1976;

(12) 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; and

(13) The amount of any income earned for personal services rendered prior to the date when the taxpayer became a resident of Minnesota ; and

*(14) The amount of any credit to the taxpayer's federal tax liability for qualified expenditures for energy conservation or renewable energy sources under section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979.*

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a

result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 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 such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such 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 such amounts resulted in a reduction of the tax imposed by this act, and (2) 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 act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1 (2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate 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 such 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. 9. Minnesota Statutes, 1979 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), *and a credit of 15 percent of the first \$2,000 of energy conservation expenditures made by a taxpayer and installed in or on a dwelling unit located in Minnesota*, 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 credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto;

(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 ~~wall~~ 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 which produces ethanol, methane or methanol for use 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 ~~unit~~ 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:

(1) Control and distribution element, including fans, louvers, and air ducts; and/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 promulgated by the commissioner of revenue in cooperation with the director of the energy agency. 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.

*An "energy conservation expenditure" is an expenditure which qualifies for the federal energy conservation credit pursuant to section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979, and any regulations promulgated pursuant thereto.*

*If a credit for a renewable energy expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum renewable energy 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 renewable energy expenditures which a credit was claimed pursuant to this subdivision in prior years. If a credit for an energy conservation expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum energy conservation expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$2,000 reduced by the amount of energy conservation expenditures for which a credit was claimed pursuant to this subdivision in prior years.*

**The A credit provided in this subdivision shall not be allowed in a taxable year if the amount sum of the credit credits provided in this subdivision would be less than \$10.**

**If the a 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 attributable to renewable energy source expenditures may be**

carried forward to a taxable year beginning after December 31, 1984. *No amount attributable to energy conservation expenditures may be carried forward to a taxable year beginning after December 31, 1982. In the case of energy conservation expenditures, excess credit may be carried back to the taxpayer's two first taxable years beginning after December 31, 1977.*

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the *credit credits* provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under *clause (a) section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1979.* "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The *credit credits* provided in this subdivision *is are* subject to the provisions of Section 44C, (c) (7), (d) (1) to (3), and (e), of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the director of the energy agency shall promulgate rules establishing additional qualifications and definitions for the credits provided in *clauses (a) to (d) this subdivision.*

*This subdivision The credit for renewable energy source expenditures is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1983. The credit for energy conservation expenditures is effective for expenditures made during taxable years beginning after December 31, 1979, and before January 1, 1983."*

Page 9, line 9, delete "This act is" and insert "Sections 1 to 7, 10 and 11 are"

Page 9, line 11, after the period insert "Section 8 is effective for federal credits received for taxable years beginning after December 31, 1978."

Renumber the sections in sequence.

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits;"

Page 1, line 8, delete "Section" and insert "Sections" and after "268.37" insert "; 290.01, Subdivision 20; and 290.06, Subdivision 14"

#### CALL OF THE SENATE

Mr. Humphrey imposed a call of the Senate for the balance of the proceedings on S. F. No. 1670. The following Senators answered to their names:

Ashbach	Benedict	Chmielewski	Dieterich	Frederick
Bang	Bernhagen	Coleman	Dunn	Gearty
Barrette	Brataas	Davies	Engler	Gunderson

Hanson	Knaak	Nichols	Schaaf	Stokowski
Hughes	Knoll	Ogdahl	Schmitz	Strand
Humphrey	Knutson	Olhoff	Setzepfandt	Stumpf
Jensen	Lessard	Olson	Sieloff	Ueland, A.
Johnson	Luther	Penny	Sikorski	Ulland, J.
Keefe, J.	McCutcheon	Perpich	Sillers	Wegener
Keefe, S.	Merriam	Peterson	Solon	Willet
Kirchner	Moe	Pillsbury	Spear	
Kleinbaum	Nelson	Renneke	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Mr. Merriam requested division of the amendment as follows:

First Portion: Page 6, after line 33, insert:

"Sec. 8. Minnesota Statutes, 1979 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 "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes 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 section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) 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.

(v) 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 non-recognition 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 amendments made to sections 219(c) (3) and 220(c) (4) (extending the time for which a taxpayer is deemed to have made a contribution to an individual retirement account for the taxable year) by section 157(a) of P.L. 95-600 shall be effective for taxable years beginning after December 31, 1977.

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 such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from federal income tax, but not from state income taxes;

(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 such 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 such previous taxable year.

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 or separate Minnesota income tax returns. In the case of 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 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) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7) or under section 290.09, subdivision 24;

(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 realized 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, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota; and

(14) Exempt-interest dividends as defined in section 852 (b) (5) (A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b) (5) (B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such 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 realized by a trust on the sale or exchange of property as defined in section 641(c) (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 50 per centum of such 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 such 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 carry-forwards or carrybacks resulting from such losses;

(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 such 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, 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, as amended through December 31, 1977. The maximum amount of this subtraction shall be \$10,000 less the amount by which the individual's federal adjusted gross income 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 \$10,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) In the case of property acquired on or after January 1, 1973,

the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, 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 realized 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 after December 31, 1977 and before January 1, 1982 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The amount of gain on the sale of the taxpayer's residence excluded from the federal gross income of the taxpayer pursuant to section 121 of the Internal Revenue Code of 1954, as amended through December 31, 1978 provided that a taxpayer who elects under that section shall not, for the purpose of this subdivision, also take an exclusion according to the provisions of section 121 of the Internal Revenue Code, as amended through December 31, 1976;

(12) 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; and

(13) The amount of any income earned for personal services rendered prior to the date when the taxpayer became a resident of Minnesota ; and

*(14) The amount of any credit to the taxpayer's federal tax liability for qualified expenditures for energy conservation or renewable energy sources under section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979 .*

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal

adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 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 such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such 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 such amounts resulted in a reduction of the tax imposed by this act. and (2) 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 act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate 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 such 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 to 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.

Page 9, line 11, after the period insert "*Section 8 is effective for federal credits received for taxable years beginning after December 31, 1978.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing a credit for energy conservation expenditures;"

Page 1, line 8, delete "Section" and insert "Sections" and after "268.37" insert "; 290.01, Subdivision 20"

Second Portion: Page 6, after line 33, insert:

"Sec. 9. Minnesota Statutes, 1979 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), and a credit of 15 percent of the first \$2,000 of energy conservation expenditures made by a taxpayer and installed in or on a dwelling unit located in Minnesota, 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 credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto;

(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 wall 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 which produces ethanol, methane or methanol for use 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 unit *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:

(1) Control and distribution element, including fans, louvers, and air ducts; and/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 promulgated by the commissioner of revenue in cooperation with the director of the energy agency. 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.

*An "energy conservation expenditure" is an expenditure which qualifies for the federal energy conservation credit pursuant to section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979, and any regulations promulgated pursuant thereto.*

If a credit for a renewable energy expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum renewable energy 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 renewable energy expenditures which a credit was claimed pursuant to this subdivision in prior years. *If a credit for an energy conservation expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum energy conservation expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years*

shall be \$2,000 reduced by the amount of energy conservation expenditures for which a credit was claimed pursuant to this subdivision in prior years.

The A credit provided in this subdivision shall not be allowed in a taxable year if the amount sum of the credit credits provided in this subdivision would be less than \$10.

If the a 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 attributable to renewable energy source expenditures may be carried forward to a taxable year beginning after December 31, 1984. No amount attributable to energy conservation expenditures may be carried forward to a taxable year beginning after December 31, 1982. In the case of energy conservation expenditures, excess credit may be carried back to the taxpayer's two first taxable years beginning after December 31, 1977.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit credits provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under ~~clause (a)~~ section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1979. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The credit credits provided in this subdivision is are subject to the provisions of Section 44C, (c) (7), (d) (1) to (3), and (e), of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the director of the energy agency shall promulgate rules establishing additional qualifications and definitions for the credits provided in ~~clauses (a) to (d)~~ this subdivision.

This subdivision ~~The credit for renewable energy source expenditures~~ is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1983. ~~The credit for energy conservation expenditures is effective for expenditures made during taxable years beginning after December 31, 1979, and before January 1, 1983.~~

Page 9, line 9, delete "This act is" and insert "Sections 1 to 7, 10 and 11 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing a pass-through of federal energy credits;"

Page 1, line 8, delete "Section" and insert "Sections" and after "268.37" insert "; 290.06, Subdivision 14"

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knoll	Penny	Spear
Bang	Gunderson	Knutson	Perpich	Staples
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Renneke	Stumpf
Brataas	Jensen	Merriam	Schaaf	Tennessee
Chmielewski	Johnson	Moe	Schmitz	Ueland, A.
Coleman	Keefe, J.	Nelson	Setzepfandt	Ulland, J.
Dieterich	Keefe, S.	Nichols	Sieloff	Wegener
Dunn	Kirchner	Ogdahl	Sikorski	Willet
Engler	Kleinbaum	Olhoft	Sillers	
Frederick	Knaak	Olson	Solon	

The motion prevailed. So the first portion of the amendment was adopted.

Mr. Dieterich moved to amend the second portion of the Dieterich amendment to S. F. No. 1670, the unofficial engrossment, as follows:

Page 15, after line 16, insert:

*"In the case of married taxpayers, the maximum credit available for energy conservation expenditures shall apply to both spouses."*

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

The question was taken on the adoption of the second portion of the amendment, as amended.

The roll was called, and there were yeas 54 and nays 4, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knaak	Perpich	Spear
Bang	Gunderson	Knoll	Peterson	Staples
Barrette	Hanson	Knutson	Pillsbury	Stokowski
Benedict	Hughes	Lessard	Renneke	Strand
Bernhagen	Humphrey	Luther	Schaaf	Stumpf
Brataas	Jensen	Moe	Schmitz	Tennessee
Chmielewski	Johnson	Nelson	Setzepfandt	Ueland, A.
Dieterich	Keefe, J.	Nichols	Sieloff	Ulland, J.
Dunn	Keefe, S.	Ogdahl	Sikorski	Wegener
Engler	Kirchner	Olson	Sillers	Willet
Frederick	Kleinbaum	Penny	Solon	

Messrs. Davies, McCutcheon, Merriam and Olhoft voted in the negative.

The motion prevailed. So the second portion of the amendment, as amended, was adopted.

Mr. Ulland, J. moved to amend S. F. No. 1670 as follows:

Delete everything after the enacting clause and insert:

**“Section 1. [EMERGENCY RESIDENTIAL HEATING GRANTS; WEATHERIZATION PROGRAMS.]** *Subdivision 1. The commissioner of economic security shall make grants to community action agencies, county boards, or other public or private nonprofit agencies for the purpose of providing emergency residential heating grants to low income households. These grants shall be made to the same agencies and in the same manner as provided for federal grants under the energy crisis assistance program of 42.U.S.C.A., Section 2809, paragraph (a), clause (5), except as otherwise provided in this act.*

*Subd. 2. The commissioner of economic security shall promulgate rules that provide: (a) procedures for the administration of grants; (b) data to be reported by grant recipients and heating-fuel suppliers; and (c) other matters the commissioner finds necessary for the proper administration of the state and federal grant programs. The rules may take effect as temporary rules upon approval by the attorney general and publication in the state register, without the normal 20 day wait for comments from the public, and may be amended in the same manner at a later date if comments from the public demonstrate that amendments are justified.*

*Subd. 3. Data on individuals collected, maintained, used, or disseminated pursuant to this act are private data on individuals and shall not be disclosed except as provided for data in the welfare system under Minnesota Statutes, 1979 Supplement, Section 15.1691.*

*Subd. 4. [ALLOCATIONS.] Money appropriated for grants and for local administrative costs shall be allocated among local administrative agencies on the basis of the number of households in the area served by the agency whose income falls within the limits specified in subdivisions 5 and 6, in relation to the total of these households in the state.*

*Subd. 5. [ELIGIBILITY; INCOME LIMITS.] Emergency residential heating grants under this section shall be paid only to households not eligible for the federal energy crisis assistance program and whose total household income does not exceed 150 percent of the community services administration poverty guidelines.*

*Subd. 6. [AMOUNT OF GRANT.] The amount of a grant under this section, in combination with any grants received for residential heating assistance under the federal energy crisis assistance program, including the special grant paid by the federal government directly to recipients of supplemental security income and money available to the state under the federal department of health, education and welfare block grant program, shall be the lesser of:*

(a) *the amount needed to relieve the household's energy related problems; or*

(b) *The following amounts graduated by level of poverty and type of fuel up to:*

<i>Percent of Poverty</i>	<i>Domestic Natural Gas</i>	<i>Other Primary Heating Fuel</i>
<i>126-133</i>	<i>\$200</i>	<i>\$325</i>
<i>134-142</i>	<i>\$150</i>	<i>\$250</i>
<i>143-150</i>	<i>\$100</i>	<i>\$175</i>

*Grants for recipients who use two or more types of fuel shall be based on the household's primary energy source.*

*Subd. 7. [INCOME DISREGARDED.] Payments made under this section shall not be considered as income or resources for purposes of determining eligibility or benefits under any income maintenance program including but not limited to medical assistance, aid to families with dependent children, general assistance, food stamps, or Minnesota supplemental aid.*

*Subd. 8. [ADMINISTRATIVE COSTS.] Money appropriated for local administrative costs shall be used to reimburse local administrative agencies for the costs involved in administering grants, including publicizing the availability of grants. Money not spent for local administrative costs shall be used for weatherization.*

*Subd. 9. [EMERGENCY ENERGY CONSERVATION GRANT FUND.] The housing finance agency shall make grants to assist in energy conservation rehabilitation measures for existing housing owned by households whose incomes do not exceed 150 percent of the community services administration poverty guidelines, and who are referred to the housing finance agency by a community action agency or other appropriate entity. Grants shall not exceed \$2,000 per household.*

*To be eligible for an emergency energy conservation grant, an applicant must demonstrate that (1) his projected annual heating cost for the winter heating season or projected heating costs for the calendar year for households using an annual budget plan, exceed 10 percent of his income as determined pursuant to subdivision 5. Projected heating costs shall be determined by multiplying energy consumption during the preceding heating season by projected costs for the appropriate fuel type as published by the energy agency, or (2) the household has been precluded from receiving a federal energy conservation grant due to the need for directly related repairs which cannot be funded under the federal program. The energy conservation rehabilitation measures that qualify under this section include: ceiling insulation, storm windows or doors, furnace or space heater repair or replacement, weatherstripping and caulking and structural or building envelope repairs essential for proper weatherization. The entity designated to administer the program shall make a reasonable effort to determine whether other state or federal grant or loan programs*

*are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs which finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other housing finance agency loan or grant programs. Temporary rules required to implement this subdivision may be promulgated pursuant to Minnesota Statutes, Section 15.0412, Subdivision 5 and shall remain in effect until July 1, 1981.*

*Except as otherwise provided in sections 1 to 3, grants from the emergency energy conservation grant fund shall be made in the same manner and pursuant to the same procedures provided for the emergency home improvement grant fund, administered pursuant to Minnesota Statutes, Section 462A.05, Subdivision 15, provided that grants shall not be recovered by the agency pursuant to section 462A.21, subdivision 4a. Grants may be made without regard to the housing finance agency home improvement grant allocation formula.*

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 268.37, is amended to read:

**268.37 [COORDINATION OF FEDERAL AND STATE RESIDENTIAL WEATHERIZATION PROGRAMS.]** Subdivision 1. The department of economic security is the state agency to apply for, receive, and disburse federal money made available to the state by state or federal law or rules promulgated thereunder for the purpose of weatherizing the residences of low-income persons. The commissioner of economic security shall coordinate available federal money with any state money appropriated for this purpose.

Subd. 2. The commissioner shall make grants of federal and state money to community action agencies and other public or private nonprofit agencies for the purpose of weatherizing the residences of low-income persons. Grant applications shall be submitted in accordance with rules developed pursuant to 42 U.S.C., Section 6861 to 6872, any other relevant federal weatherization program, and rules promulgated by the commissioner.

Subd. 3. The commissioner shall promulgate temporary rules as necessary to administer the grants program by July 1, 1979 and shall promulgate permanent rules by July 1, 1980. The rules shall describe: (a) procedures for the administration of grants, (b) data to be reported by grant recipients, and (c) other matters the commissioner finds necessary for the proper administration of the grant program including compliance with relevant federal regulations. Weatherization assistance shall be given to households where the total income does not exceed 125 percent of the poverty level as updated by the federal office of management and budget poverty guidelines.

Subd. 4. **[SUPPLEMENTARY STATE GRANTS.]** *The commissioner shall distribute supplementary state grants in a manner*

consistent with the goal of producing the maximum number of weatherized units feasible. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units.

Criteria for the allocation of state grants to local agencies include: (a) existing local agency production levels, (b) availability of CETA resources in the area, (c) emergency needs, and (d) the potential for maintaining or increasing acceptable levels of production in the area.

An eligible local agency may receive advance funding for three months' production, but thereafter shall receive grants solely on the basis of program criteria.

Subd. 5. The commissioner shall submit reports to the legislature by March 1 of each year, 1980, and March 1, 1981, evaluating the weatherization program. The reports shall describe: (a) the number of households weatherized, (b) the average cost per household, (c) any change in energy consumption after weatherization, (d) outreach efforts, and (e) any other information the commissioner feels is relevant, including information routinely submitted to the federal government.

Sec. 3. [APPROPRIATIONS.] Subdivision 1. The sum of \$14,000,000 is appropriated from the general fund to the commissioner of economic security for the following purposes:

(a) Grants pursuant to section 1, subdivision 6 \$8,000,000

If grants are paid from this appropriation of state money to persons eligible to receive grants for the same purposes from federal money, this appropriation shall be reimbursed for those grants from federal money when the federal money becomes available if reimbursement is permitted under federal law.

(b) Weatherization of residences \$6,000,000

The appropriations in clause (a) is available until September 30, 1981. The appropriation in clause (b) is added to the appropriation for the same purposes in Laws 1979, Extra Session, Chapter 2, Section 45, Subdivision 3. Grants made for a residence under clause (b) of this subdivision shall not exceed (1) \$500 in state monies when used in combination with federal funds or (2) \$1500 when made exclusively from state funds. Local administrating agencies may retain up to ten percent of these appropriations for administrative costs.

Subd. 2. The sum of \$5,000,000 is appropriated from the general fund to the housing finance agency for the purpose of the emergency energy conservation grant program specified in section 1, subdivision 10, and for the payment of related costs and expenses. This appropriation shall remain available until expended.

Subd. 3. The sum of \$2,480,000 is appropriated from the general fund to the commissioner of public welfare to reimburse

counties for the county portion of expenses incurred by them in providing residential heating assistance under the emergency assistance and special needs allowance programs during fiscal years 1980 and 1981. No county match is required for this money.

Subd. 4. There is appropriated to the Minnesota energy agency from the general fund the sum of \$100,000, or so much thereof as may be required for the purpose of making a study of residential energy conservation in Minnesota. The study shall determine the energy efficiency of the existing housing stock as it relates to fuel type, household income, ownership, and geographic location. The study shall determine the effectiveness of existing residential conservation efforts including federal weatherization programs, Minnesota housing finance agency grant and loan programs, local programs and others. The study may review programs in other states which show potential for implementation in Minnesota. The study shall recommend methods for meeting identified residential energy conservation needs through new or existing public or private programs, including new or proposed federal programs, and the estimated costs of such programs. The agency shall report its findings to the legislature by January 31, 1981.

Subd. 5. The sum of \$5,000,000 is appropriated to the legislative advisory commission for the purposes of this subdivision. This appropriation is intended to ensure the most effective and efficient delivery of fuel assistance and weatherization programs requiring a coordination of state and federal monies. To the extent that state matching funds are required for participation in federal programs, the legislative advisory commission shall provide the match from these appropriated monies. In case no state matching funds are required by federal rule the legislative advisory commission shall use this appropriation to extend the scope or effectiveness of programs of fuel assistance and weatherization.

Sec. 4. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; reimbursing counties; appropriating money; amending Minnesota Statutes, 1979 Supplement, Section 268.37."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 38, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Keefe, J.	Pillsbury	Ulland, J.
Bang	Engler	Kirchner	Renneke	
Bernhagen	Frederick	Knaak	Sieloff	
Brataas	Jensen	Knutson	Ueland, A.	

Those who voted in the negative were:

Barrette	Hanson	McCutcheon	Perpich	Staples
Benedict	Humphrey	Merriam	Peterson	Stokowski
Chmielewski	Johnson	Moe	Schaaf	Strand
Coleman	Keefe, S.	Nelson	Schmitz	Stumpf
Davies	Knoll	Nichols	Setzepfandt	Tennessee
Dieterich	Laufenburger	Olhoff	Sikorski	Willet
Gearty	Lessard	Olson	Solon	
Gunderson	Luther	Penny	Spear	

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

Mr. Bernhagen moved to amend S. F. No. 1670, the unofficial engrossment as follows:

Page 3, delete lines 5 through 8

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 37, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Keefe, J.	Pillsbury	Ulland, J.
Bang	Engler	Kirchner	Renneke	
Bernhagen	Frederick	Knaak	Sieloff	
Brataas	Jensen	Knutson	Ueland, A.	

Those who voted in the negative were:

Barrette	Humphrey	Merriam	Peterson	Stokowski
Benedict	Johnson	Moe	Schaaf	Strand
Chmielewski	Keefe, S.	Nelson	Schmitz	Stumpf
Coleman	Knoll	Nichols	Setzepfandt	Tennessee
Davies	Laufenburger	Olhoff	Sikorski	Willet
Dieterich	Lessard	Olson	Solon	
Gearty	Luther	Penny	Spear	
Hanson	McCutcheon	Perpich	Staples	

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

Mr. Bernhagen then moved to amend S. F. No. 1670, the unofficial engrossment, as follows:

Page 8, Line 26, delete "\$12,000,000" and insert "\$6,000,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 34, as follows:

Those who voted in the affirmative were:

Ashbach	Chmielewski	Keefe, J.	Pillsbury	Ulland, J.
Bang	Dunn	Kirchner	Renneke	
Bernhagen	Engler	Knaak	Sieloff	
Brataas	Frederick	Knutson	Ueland, A.	

Those who voted in the negative were:

Barrette	Hanson	Moe	Peterson	Staples
Benedict	Humphrey	Nelson	Schaaf	Stokowski
Coleman	Johnson	Nichols	Schmitz	Strand
Davies	Keefe, S.	Olhoff	Setzepfandt	Stumpf
Dieterich	Knoll	Olson	Sikorski	Tennessee
Gearty	Luther	Penny	Solon	Willet
Gunderson	McCutcheon	Perpich	Spear	

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

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 268.37; 290.01, Subdivision 20; and 290.06, Subdivision 14.

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

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

The roll was called, and there were yeas 38 and nays 18, as follows:

Those who voted in the affirmative were:

Barrette	Hanson	Luther	Perpich	Staples
Benedict	Humphrey	McCutcheon	Peterson	Stokowski
Chmielewski	Johnson	Merriam	Schaaf	Strand
Coleman	Keefe, J.	Moe	Schmitz	Stumpf
Davies	Keefe, S.	Nelson	Setzepfandt	Tennessee
Dieterich	Knoll	Ogdahl	Sikorski	Willet
Gearty	Laufenburger	Olson	Solon	
Gunderson	Lessard	Penny	Spear	

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Olhoft	Ueland, A.
Bang	Engler	Knaak	Pillsbury	Ulland, J.
Bernhagen	Frederick	Knutson	Renneke	
Brataas	Jensen	Nichols	Sieloff	

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, February 11, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SIXTY-SIXTH DAY

St. Paul, Minnesota, Monday, February 11, 1980

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

## CALL OF THE SENATE

Mr. Hanson imposed a call of the Senate. The following Senators answered to their names:

Bang	Hanson	Menning	Pillsbury	Stern
Barrette	Humphrey	Merriam	Purfeerst	Stokowski
Benedict	Jensen	Moe	Renneke	Strand
Bernhagen	Johnson	Nelson	Rued	Stumpf
Brataas	Keefe, S.	Nichols	Schaaf	Tennessee
Davies	Kirchner	Ogdahl	Schmitz	Ueland, A.
Dieterich	Kleinbaum	Olhoft	Setzepfandt	Willet
Dunn	Knaak	Olson	Sikorski	
Engler	Knoll	Penny	Sillers	
Frederick	Laufenburger	Perpich	Spear	
Gearty	Luther	Peterson	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor Terrence J. Murphy.

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

Anderson	Frederick	Knutson	Penny	Sillers
Ashbach	Gearty	Laufenburger	Perpich	Solon
Bang	Hanson	Lessard	Peterson	Spear
Barrette	Hughes	Luther	Pillsbury	Staples
Benedict	Humphrey	Menning	Purfeerst	Stern
Bernhagen	Jensen	Merriam	Renneke	Stokowski
Brataas	Johnson	Moe	Rued	Strand
Chmielewski	Keefe, S.	Nelson	Schaaf	Stumpf
Davies	Kirchner	Nichols	Schmitz	Tennessee
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ueland, A.
Dunn	Knaak	Olhoft	Sieloff	Ulland, J.
Engler	Knoll	Olson	Sikorski	Willet

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Gunderson, Lessard, McCutcheon, Vega and Wegener were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Nichols introduced—

S. F. No. 1879: A bill for an act relating to workers' compensation; abolishing duties of the rating bureau; transferring certain functions; amending Minnesota Statutes 1978, Sections 79.07, 79.08; 79.09; 79.21; 79.22; 79.24; 79.25; 79.28; 79.29; 79.30; and 79.31; repealing Minnesota Statutes 1978, Sections 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.18; 79.26; 79.27; and 79.32.

Referred to the Committee on Employment.

Mr. Nichols introduced—

S. F. No. 1880: A bill for an act relating to the environment; altering the funding formula for certain studies done by the environmental quality board; amending Minnesota Statutes 1978, Section 116C.69, Subdivision 3.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Brataas, Messrs. Frederick, Nelson, Mrs. Staples and Mr. Pillsbury introduced—

S. F. No. 1881: A resolution memorializing the United States Congress to enact legislation to extend the deadline for states to comply with recent amendments to the National Health Planning and Resources Development Act.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Nelson introduced—

S. F. No. 1882: A bill for an act relating to public employment; clarifying the definition of essential employees; amending Minnesota Statutes, 1979 Supplement, Section 179.63, Subdivision 11.

Referred to the Committee on Governmental Operations.

Mr. Sikorski introduced—

S. F. No. 1883: A bill for an act relating to public welfare; providing for a study of revisions to the nursing home rate reimbursement formula; providing for an information retrieval system; appropriating money; amending Minnesota Statutes 1978, Section 256B.47, by adding a subdivision.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Penny, Hughes, Renneke and Moe introduced—

S. F. No. 1884: A bill for an act relating to education; increasing the bonding authority of the higher education coordinating board; amending Minnesota Statutes, 1979 Supplement, Section 136A.171.

Referred to the Committee on Finance.

Messrs. McCutcheon, Stumpf, Barrette, Sieloff and Gearty introduced—

S. F. No. 1885: A bill for an act relating to courts; second and fourth judicial districts; authorizing juvenile court referees to hear contested trials, hearings, or motions unless objection is made; amending Minnesota Statutes 1978, Section 484.70, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Olson, Knutson, Sikorski, Gearty and Gunderson introduced—

S. F. No. 1886: A bill for an act relating to animals; prohibiting the transfer of certain animals for experimental purposes; amending Minnesota Statutes 1978, Section 35.71.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Merriam, Hughes and McCutcheon introduced—

S. F. No. 1887: A bill for an act relating to taxation; redefining "family farm corporation" for purposes of the agricultural property tax law; amending Minnesota Statutes 1978, Section 273.111, Subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ulland, J.; Bang; Mrs. Brataas; Messrs. Ashbach and Laufenburger introduced—

S. F. No. 1888: A bill for an act relating to commerce; regulating use of assumed names by commercial businesses; exempting certain businesses from filing requirements; amending Minnesota Statutes 1978, Chapter 333, by adding a section.

Referred to the Committee on Commerce.

Messrs. Keefe, S.; Spear; Coleman; Tennessen and Bang introduced—

S. F. No. 1889: A bill for an act relating to intoxicating liquor;

authorizing the use of wine catalogs by off-sale dealers; amending Minnesota Statutes 1978, Section 340.15, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Knoll, Stumpf, Sillers, Perpich and Olhoft introduced—

S. F. No. 1890: A bill for an act relating to energy conservation; creating the Minnesota district heating account; authorizing the Minnesota energy agency to administer and supervise a program of loans to municipalities for establishing and improving district heating systems; authorizing the issuance of state bonds pursuant to Article XI of the Minnesota Constitution; authorizing cities to operate district heating systems; appropriating money; amending Minnesota Statutes 1978, Sections 412.321, Subdivision 1; 412.351; 412.361, Subdivision 3; Chapter 116H, by adding sections; and Chapter 465, by adding a section.

Referred to the Committee on Energy and Housing.

Messrs. Moe, Strand, Frederick and Sillers introduced—

S. F. No. 1891: A bill for an act relating to taxation; authorizing exemptions from real estate tax for property used for manufacturing or commercial purposes; amending Minnesota Statutes 1978, Section 272.02, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Keefe, S.; Laufenburger; Peterson and Bang introduced—

S. F. No. 1892: A bill for an act relating to workers' compensation; allowing flexibility in election of insurance coverage for certain businesses, partnerships and corporations; amending Minnesota Statutes, 1979 Supplement, Section 176.012.

Referred to the Committee on Employment.

Messrs. Knutson and Bang introduced—

S. F. No. 1893: A bill for an act relating to driver's licenses; allowing the commissioner of public safety to waive behind-the-wheel testing for certain applicants; amending Minnesota Statutes 1978, Sections 169.974, Subdivision 2; and 171.13, by adding a subdivision.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. McCutcheon, Knutson, Renneke, Knoll and Keefe, J. introduced—

S. F. No. 1894: A bill for an act relating to corrections; altering

the provisions related to the granting of furloughs for persons on work release; clarifying the provisions relating to the accrual of good time by inmates of state correctional facilities; amending Minnesota Statutes 1978, Sections 241.26, Subdivision 3; and 244.04, Subdivisions 1 and 2.

Referred to the Committee on Judiciary.

Messrs. Spear; Ulland, J.; Nelson; Willet and Kleinbaum introduced—

S. F. No. 1895: A bill for an act relating to communications; establishing a program of special grants to noncommercial radio stations; appropriating money.

Referred to the Committee on Education.

Messrs. Sikorski; McCutcheon; Keefe, J.; Lessard and Sillers introduced—

S. F. No. 1896: A bill for an act relating to crimes; requiring sentencing courts to submit information as the sentencing guidelines commission requires which is reasonably related to monitoring application of sentence guidelines; amending Minnesota Statutes 1978, Section 244.09, Subdivision 6.

Referred to the Committee on Judiciary.

Messrs. Sikorski, McCutcheon, Lessard, Sillers and Keefe, J. introduced—

S. F. No. 1897: A bill for an act relating to crimes; requiring inclusion of information on presentence investigation reports deemed necessary by the sentencing guidelines commission; amending Minnesota Statutes, 1979 Supplement, Section 609.115, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Sikorski; McCutcheon; Keefe, J.; Lessard and Sillers introduced—

S. F. No. 1898: A bill for an act relating to crimes; permitting limited use of juvenile records for sentencing purposes in adult court; amending Minnesota Statutes 1978, Sections 260.161, Subdivision 1; and 260.211, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Chmielewski, Bernhagen, Kleinbaum, Gunderson and Ashbach introduced—

S. F. No. 1899: A bill for an act relating to obscenity; prohibiting the dissemination of intrusively offensive sexual material by

cable communication companies; providing penalties; amending Minnesota Statutes 1978, Section 238.11, by adding subdivisions; and Chapter 617, by adding sections.

Referred to the Committee on Judiciary.

Messrs. Bang, Knutson, Kleinbaum, Mrs. Brataas and Mr. Laufenburger introduced—

S. F. No. 1900: A bill for an act relating to financial institutions; authorizing certain additional facilities for banks; amending Minnesota Statutes 1978, Section 47.52.

Referred to the Committee on Commerce.

Messrs. Setzepfandt, Strand, Hanson, Moe and Bernhagen introduced—

S. F. No. 1901: A bill for an act relating to taxation; providing a property tax credit for owners of property containing pipelines; amending Minnesota Statutes 1978, Chapter 273, by adding a section.

Referred to the Committee on Taxes and Tax Laws.

Mr. Schmitz introduced—

S. F. No. 1902: A bill for an act relating to health; altering certain guidelines for health and developmental screening programs established by school boards; amending Minnesota Statutes 1978, Section 123.702, Subdivisions 2, 4 and 6; and Minnesota Statutes, 1979 Supplement, Section 123.702, Subdivision 1.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Schmitz and Setzepfandt introduced—

S. F. No. 1903: A bill for an act relating to energy; modifying certain planning and zoning statutes to remove barriers to biomass energy production; amending Minnesota Statutes, 1979 Supplement, Sections 394.25, Subdivision 3; and 394.27, Subdivision 7; 462.357, Subdivisions 1 and 6.

Referred to the Committee on Energy and Housing.

Mrs. Brataas, Messrs. Frederick, Laufenburger, Merriam and Stumpf introduced—

S. F. No. 1904: A bill for an act relating to Independent School District No. 535, Rochester; providing that its school board may organize at a time other than the time required for the organization of the board of an independent district; amending Laws 1969, Chapter 193, Section 3, as amended.

Referred to the Committee on Education.

Messrs. Bang, Benedict, Kirchner and Keefe, J. introduced—

S. F. No. 1905: A bill for an act relating to the Nine Mile Creek Watershed District; providing for the establishment of a district water maintenance and repair fund; authorizing a tax levy for water maintenance and repair purposes.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Bang, Benedict, Kirchner and Keefe, J. introduced—

S. F. No. 1906: A bill for an act relating to the Nine Mile Creek Watershed District; authorizing an ad valorem tax for certain purposes.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Chmielewski, Schmitz, Laufenburger, Penny and Ueland, A. introduced—

S. F. No. 1907: A bill for an act relating to state government; revising the civil service law; amending Minnesota Statutes 1978, Section 43.30.

Referred to the Committee on Veterans' Affairs.

Messrs. Tennesen, Solon, Bang, Laufenburger and Ogdahl introduced—

S. F. No. 1908: A bill for an act relating to financial institutions; removing restrictions on services that may be offered at detached facilities; changing the penalty for usurious loans made by state banks and savings banks; amending Minnesota Statutes 1978, Sections 47.53; 47.55; 334.02; 334.03; and Chapter 48, by adding a section.

Referred to the Committee on Commerce.

Messrs. Tennesen, Spear, Bang, Laufenburger and Ogdahl introduced—

S. F. No. 1909: A bill for an act relating to banks and banking; removing certain restrictions on services that may be offered at detached facilities; amending Minnesota Statutes 1978, Section 47.53.

Referred to the Committee on Commerce.

Messrs. Keefe, J.; Schmitz and Knutson introduced—

S. F. No. 1910: A bill for an act relating to public debt; provid-

ing a maximum interest rate on certain obligations; amending Minnesota Statutes 1978, Section 475.55, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Keefe, J.; Schmitz and Knutson introduced—

S. F. No. 1911: A bill for an act relating to public debt; providing for interest rates on certain obligations; amending Minnesota Statutes 1978, Section 475.55, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Bernhagen, Schmitz, Rued, Barrette and Humphrey introduced—

S. F. No. 1912: A bill for an act relating to families; designating an American family day.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Willet introduced—

S. F. No. 1913: A bill for an act relating to energy; authorizing the establishment of county or city energy conservation boards; prescribing their powers and duties; appropriating funds.

Referred to the Committee on Energy and Housing.

Mr. Perpich introduced—

S. F. No. 1914: A bill for an act relating to highway traffic regulations; authorizing certain identification rights on motor vehicles operated by certificated volunteer ambulance drivers; amending Minnesota Statutes 1978, Section 169.58, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Sikorski introduced—

S. F. No. 1915: A bill for an act relating to drivers licenses; requiring the suspension of licenses of certain uninsured persons; providing a penalty; amending Minnesota Statutes 1978, Chapter 171, by adding sections.

Referred to the Committee on Judiciary.

Messrs. Benedict, Solon, Tennessen and Bang introduced—

S. F. No. 1916: A bill for an act relating to public depositories; changing collateral requirements; providing that depositories pool

losses; requiring security by collateral in the general depository law; appropriating money; amending Minnesota Statutes 1978, Sections 9.031; 11.10, Subdivision 1; 11.16, Subdivision 14; 11.17; 37.07; 118.005, Subdivision 2; 118.01; 124.05, Subdivision 2; 427.01; 427.02; 427.09; 458.12; 462.396, Subdivision 6; and 473.10; and Chapter 118, by adding sections; repealing Minnesota Statutes 1978, Sections 118.10 and 118.11.

Referred to the Committee on Commerce.

Mrs. Staples, Messrs. Jensen, Nelson and Gunderson introduced—

S. F. No. 1917: A bill for an act relating to health care; regulating benefits made available under certain health care plans; requiring coverage for reconstructive surgery under certain conditions; amending Minnesota Statutes 1978, Section 62E.06, Subdivision 1, as amended, and Chapter 62A, by adding a section.

Referred to the Committee on Commerce.

Mr. Ogdahl introduced—

S. F. No. 1918: A bill for an act relating to retirement; Minneapolis police and firefighters relief associations; providing for an increase in member contributions; providing a health and welfare benefit for retiring members.

Referred to the Committee on Governmental Operations.

Messrs. Nelson, Perpich, Sikorski, Olhoft and Kirchner introduced—

S. F. No. 1919: A bill for an act relating to public welfare; establishing pilot programs for registration of certain supplemental child day care providers; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Peterson, Renneke, Strand, Bernhagen and Wegener introduced—

S. F. No. 1920: A bill for an act relating to electricity; providing for the payment of electrical inspection costs; appropriating money; amending Minnesota Statutes 1978, Section 326.241, Subdivision 3.

Referred to the Committee on Commerce.

Mr. Sillers introduced—

S. F. No. 1921: A bill for an act relating to the city of Moorhead; increasing the amount which the city may expend under a

contract for public transportation services; amending Laws 1969, Chapter 192, Section 1.

Referred to the Committee on Local Government.

Messrs. Tennesen, Laufenburger and Bang introduced—

S. F. No. 1922: A bill for an act relating to financial institutions; permitting banks or trust companies to invest up to 20 percent of their capital and surplus in certain agricultural credit corporations; amending Minnesota Statutes 1978, Section 48.61, Subdivision 1.

Referred to the Committee on Commerce.

Mr. Penny introduced—

S. F. No. 1923: A bill for an act relating to state government; directing the department of administration to provide gasohol for state owned vehicles; amending Minnesota Statutes 1978, Chapter 16, by adding a section.

Referred to the Committee on Governmental Operations.

Mr. Frederick introduced—

S. F. No. 1924: A bill for an act relating to taxation; real property; providing for the classification of certain mobile homes as real property for assessment purposes; amending Minnesota Statutes 1978, Sections 168.012, Subdivision 9; and 273.13, Subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Schaaf introduced—

S. F. No. 1925: A bill for an act relating to names; changing residence requirements for change of name proceedings; amending Minnesota Statutes 1978, Section 259.10.

Referred to the Committee on Judiciary.

Mr. Ashbach, by request, introduced—

S. F. No. 1926: A bill for an act relating to the state transportation system; authorizing the issuance and sale of Minnesota state transportation bonds; appropriating the proceeds for the payment of state and local shares of the cost of interstate highway segments and substitution projects; amending Minnesota Statutes 1978, Section 174.50, Subdivision 1.

Referred to the Committee on Transportation.

Mr. Ashbach, by request, introduced—

S. F. No. 1927: A bill for an act relating to transportation;

providing for the financing of certain transportation services; providing for the distribution of the motor vehicle excise tax and providing that certain portions of the proceeds be used by certain political subdivisions for optional transportation purposes; creating a contingent bond retirement account; reducing the excise tax on gasoline and special fuel used in producing power to propel motor vehicles on the public highways; imposing an additional excise tax on gasoline and special fuel based on net price; providing for refunds; appropriating money; amending Minnesota Statutes 1978, Sections 168.27, Subdivision 16; 296.02, Subdivision 1; 296.18, Subdivisions 4 and 5; 297B.035, Subdivision 2; 297B.09; Chapter 296, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 296.18, Subdivisions 1 and 2.

Referred to the Committee on Transportation.

Messrs. Merriam, Strand and Peterson introduced—

S. F. No. 1928: A bill for an act relating to education; providing for school transportation; authorizing state transportation aid for additional purposes; modifying the transportation aid entitlement formula; requiring certain fund transfers by school districts; changing the location of the transportation aid payment schedule; providing a levy for mobile units and bus reconditioning; modifying the levy to compensate districts for certain transportation costs resulting from the lease of a school in another district; requiring the revisor of statutes to renumber a section; creating an experimental mobile unit program; appropriating money; amending Minnesota Statutes 1978, Section 275.125, Subdivisions 5 and 5a; Minnesota Statutes, 1979 Supplement, Sections 124.223; 124.225, Subdivisions 1, 2, 3, 5, 6 and 10, and by adding a subdivision; and Laws 1979, Chapter 334, Article 2, Section 15, Subdivisions 2 and 3; repealing Minnesota Statutes, 1979 Supplement, Section 124.222, Subdivision 3.

Referred to the Committee on Education.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

August 24, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Municipal Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Robert J. Ferderer, 440 East Hoyt Street, St. Paul, Ramsey

County, has been appointed by me, effective August 31, 1979, for a term expiring June 30, 1985.

(Referred to the Committee on Local Government.)

September 14, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointments to the Workers' Compensation Court of Appeals are hereby respectfully submitted to the Senate for confirmation as required by law:

Paul V. Rieke, 13403 Washburn Avenue South, Burnsville, Dakota County, has been appointed by me, effective September 17, 1979, for a term expiring September 17, 1985.

James R. Otto, 6817 Dakota Trail, Edina, Hennepin County, has been appointed by me, effective September 17, 1979, for a term expiring September 17, 1985.

(Referred to the Committee on Employment.)

November 28, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Workers' Compensation Court of Appeals is hereby respectfully submitted to the Senate for confirmation as required by law:

John C. Wallraff, 47 32 Avenue NW, New Brighton, Ramsey County, has been appointed by me, effective November 28, 1979, for a term expiring November 28, 1985.

(Referred to the Committee on Employment.)

February 1, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Water Resources Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Glenn A. Kinneberg, Route 1, Spring Grove, Houston County, has been appointed by me, effective February 1, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Agriculture and Natural Resources.)

Sincerely,  
Albert H. Quie, Governor

#### MESSAGES FROM THE HOUSE

Mr. President:

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

S. F. No. 285: A bill for an act relating to interest rates; increasing permissible finance charges for open end credit sales; providing for calculation of finance charges on open end credit sales; amending Minnesota Statutes 1978, Section 334.16, Subdivision 1, and by adding a subdivision.

Senate File No. 285 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 7, 1980

Mr. Laufenburger moved that S. F. No. 285 be laid on the table. The motion prevailed.

Mr. President:

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

S. F. No. 273: A bill for an act relating to commerce; providing a floating usury rate for contracts for deed on residential property; amending Minnesota Statutes 1978, Section 47.20, Subdivisions 2 and 4, and by adding a subdivision.

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

Evans, Faricy and Greenfield.

Senate File No. 273 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 7, 1980

#### REPORTS OF COMMITTEES

Mr. Hanson moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1764: A bill for an act relating to taxation; property tax; providing for uncontested hearings for property valuation; availability of assessor's field cards; information to be included on valuation notices; clarifying the computation of agricultural aid credit; clarifying acreage available for homestead credit; changing date for county board of equalization meeting and transfer of books to treasurer; changing penalty and interest rates; clarifying the role of administrative auditor in fiscal disparities; amending Minnesota Statutes 1978, Sections 270.11, Subdivision 6; 272.70; 273.121; 273.13, Subdivision 6a; 273.135, Subdivision 1; 274.13, Subdivision 1; 274.14; 276.01; 279.01; 279.37, Subdivision 2; 282.01, Subdivisions 1 and 4; 282.222, Subdivision 4; 282.261; and 473F.08, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 273.13, Subdivision 6; and 282.15; repealing Minnesota Statutes 1978, Sections 275.31; 275.32; 275.33; 275.34; 275.35; and 473F.08, Subdivisions 7 and 8.

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

Pages 2 and 3, delete section 2

Page 9, line 18, after "*July*" insert "*or, if the first Monday following the fourth day of July is a legal holiday, the first Tuesday following the fourth day of July*"

Page 9, line 20, delete "*that day*" and insert "*the day of adjournment*"

Page 12, line 9, after "*Subd. 2.*" delete "*If*" and insert "*In the case of*" and after "*property*" delete "*is*"

Page 12, line 10, delete "*delinquently*"

Page 12, line 16, delete "*opinion*" and insert "*judgment*" and delete "*payment*" and insert "*imposition of the penalty*"

Page 13, line 25, strike "*four*" and insert "*eight*"

Page 15, line 16, after "*reclassification*" insert "*and sale*"

Page 15, line 18, delete "*within one year*" and insert "*and sale within 90 days*"

Page 15, line 20, after the period, insert "*If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it shall, within 90 days of the request for classification or reclassification and sale, file a written application with the county board to withhold the parcel from public sale. The county board shall then withhold the parcel from public sale for one year.*"

Page 22, line 28, delete "*2, 8, 9, 10*" and insert "*7, 8, 9*"

Page 22, line 29, delete "*17, and 19*" and insert "*16, and 18*"

Page 22, line 30, delete "*3 and 11 through 16*" and insert "*2 and 10 through 15*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 4

Page 1, line 13, delete "272.70;"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 644: A bill for an act relating to health; prohibiting applicants for certain dental licenses who fail a clinical examination twice from further taking the examination without additional education and training; requiring the board of dentistry to promulgate rules establishing requirements for this education and training; requiring licensed dentists, dental hygienists and registered dental assistants to inform the board of dentistry when changing addresses; setting standards for the names under which dentists may practice; authorizing the board of dentistry to promulgate rules governing advertising by dentists; authorizing the board of medical examiners to promulgate rules governing advertising by physicians; establishing penalties; amending Minnesota Statutes 1978, Chapter 147, by adding a section; Sections 150A.06, Subdivisions 1, 2 and 2a; 150A.09, Subdivision 3; and 150A.11, Subdivisions 1 and 2.

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

Page 4, line 23, delete the first "and"

Page 4, line 24, before "registered" insert "every"

Page 5, line 9, after "imply" insert "professional"

Page 5, line 9, before the period, insert "to or greater skill than that possessed by another dentist"

Page 6, line 30, delete "January 1, 1980" and insert "July 1, 1981"

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1609: A bill for an act relating to education; extending the coverage of a grandfather provision allowing certain pupils to attend school in a school district other than the district in which the pupil resides; amending Minnesota Statutes, 1979 Supplement, Section 120.075.

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

Page 1, line 16, after "on" insert "*either*"

Page 1, line 16, reinstate the stricken words "January 1" and delete "*April 5*"

Page 1, line 16, after "1978," insert "*or April 5, 1978,*"

Page 1, line 19, after "on" insert "*either*"

Page 1, line 20, reinstate the stricken words "January 1" and delete "*April 5*"

Page 1, line 20, after "1978," insert "*or April 5, 1978,*"

Page 2, line 3, after "on" insert "*either*"

Page 2, line 3, reinstate the stricken words "January 1" and delete "*April 5*"

Page 2, line 4, after "1978," insert "*or April 5, 1978,*"

Page 2, line 17, after "on" insert "*either*"

Page 2, line 17, reinstate the stricken words "January 1" and delete "*April 5*"

Page 2, line 17, after "1978" insert "*, or April 5, 1978*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. No. 1609 was read the second time.

S. F. No. 1764 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. No. 644 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Humphrey moved that the name of Mr. Chenoweth be stricken and the name of Mr. Sikorski be added as co-author to S. F. No. 678. The motion prevailed.

Mrs. Knaak moved that the name of Mr. Barrette be added as co-author to S. F. No. 990. The motion prevailed.

Mr. Schaaf moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1262. The motion prevailed.

Mr. Frederick moved that the name of Mrs. Knaak be added as co-author to S. F. No. 1764. The motion prevailed.

Mr. Ueland, A. moved that the name of Mr. Renneke be added as co-author to S. F. No. 1847. The motion prevailed.

Mr. Penny moved that the name of Mr. Merriam be added as co-author to S. F. No. 1849. The motion prevailed.

Mr. Strand moved that H. F. No. 644 be withdrawn from the Subcommittee on Bill Scheduling of the Committee on Rules and Administration and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Schaaf moved that the name of Mr. Chenoweth be stricken as chief author and his name be added as chief author to S. F. No. 326. The motion prevailed.

Mr. Laufenburger moved that S. F. No. 285 be taken from the table. The motion prevailed.

S. F. No. 285: A bill for an act relating to interest rates; increasing permissible finance charges for open end credit sales; providing for calculation of finance charges on open end credit sales; amending Minnesota Statutes 1978, Section 334.16, Subdivision 1, and by adding a subdivision.

#### CONCURRENCE AND REPASSAGE

Mr. Laufenburger moved that the Senate concur in the amendments by the House to S. F. No. 285 and that the bill be placed on its repassage as amended.

Mr. Sikorski moved that the Senate do not concur in the amendments by the House to S. F. No. 285, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House.

The Chair ruled that Mr. Sikorski's motion was a substitute motion and was out of order.

#### CALL OF THE SENATE

Mr. Laufenburger imposed a call of the Senate for the balance of the proceedings on S. F. No. 285. The following Senators answered to their names:

Anderson	Gearty	Laufenburger	Pillsbury	Stokowski
Ashbach	Hanson	Luther	Renneke	Strand
Bang	Hughes	Menning	Rued	Stumpf
Barrette	Humphrey	Merriam	Schaaf	Tennessee
Benedict	Jensen	Moe	Schmitz	Ueland, A.
Bernhagen	Johnson	Nelson	Setzepfandt	Ulland, J.
Davies	Kirchner	Ogdahl	Sikorski	Willet
Dieterich	Kleinbaum	Olhoft	Sillers	
Dunn	Knaak	Penny	Solon	
Engler	Knoll	Perpich	Staples	
Frederick	Knutson	Peterson	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

Mr. Laufenburger moved that S. F. No. 285 be laid on the table. The motion prevailed.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Hanson moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, February 14, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SIXTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, February 14, 1980

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

### CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Engler	Lessard	Rued	Stumpf
Bang	Frederick	Luther	Schmitz	Tennessee
Barrette	Gearty	Menning	Setzepfandt	Ueland, A.
Benedict	Hughes	Moe	Sikorski	Ulland, J.
Brataas	Jensen	Nelson	Solon	Wegener
Chmielewski	Johnson	Olson	Spear	Willet
Coleman	Keefe, S.	Penny	Staples	
Davies	Kleinbaum	Perpich	Stern	
Dieterich	Knaak	Pillsbury	Stokowski	
Dunn	Laufenburger	Purfeerst	Strand	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor Ambrose V. Hayden.

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

Anderson	Engler	Knutson	Perpich	Solon
Ashbach	Frederick	Laufenburger	Peterson	Spear
Bang	Gearty	Lessard	Pillsbury	Staples
Barrette	Gunderson	Luther	Purfeerst	Stern
Benedict	Hanson	Menning	Renneke	Stokowski
Bernhagen	Hughes	Merriam	Rued	Strand
Brataas	Jensen	Moe	Schaaf	Stumpf
Chmielewski	Johnson	Nelson	Schmitz	Tennessee
Coleman	Keefe, S.	Nichols	Setzepfandt	Ueland, A.
Davies	Kleinbaum	Ogdahl	Sieloff	Ulland, J.
Dieterich	Knaak	Olson	Sikorski	Wegener
Dunn	Knoll	Penny	Sillers	Willet

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Humphrey; Keefe, J.; Kirchner; McCutcheon and Olhoft were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Messrs. Nichols and Strand introduced—**

**S. F. No. 1929:** A bill for an act relating to retirement; teachers; exempting certain part-time area vocational-technical institute instructors from teacher's retirement membership; amending Minnesota Statutes 1978, Section 354.05, Subdivision 2.

**Referred to the Committee on Governmental Operations.**

**Messrs. Knoll, Willet, Barrette and Mrs. Staples introduced—**

**S. F. No. 1930:** A bill for an act relating to housing; providing the housing finance agency with authority to make grants and loans to certain sponsors of housing used for temporary shelter; appropriating money; amending Minnesota Statutes 1978, Sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

**Referred to the Committee on Energy and Housing.**

**Messrs. Davies, Sieloff and Tennessen introduced—**

**S. F. No. 1931:** A bill for an act relating to children; providing for venue for child custody proceedings; amending Minnesota Statutes, 1979 Supplement, Section 518.156, Subdivision 1.

**Referred to the Committee on Judiciary.**

**Mr. Nichols introduced—**

**S. F. No. 1932:** A bill for an act relating to taxation; mortgage registry tax; exempting certain executory contracts for sale of land; amending Minnesota Statutes 1978, Section 287.02.

**Referred to the Committee on Taxes and Tax Laws.**

**Messrs. Nelson, Strand and Schaaf introduced—**

**S. F. No. 1933:** A bill for an act relating to public employees; clarifying the definition of public employees; amending Minnesota Statutes 1978, Section 179.63, Subdivision 7.

**Referred to the Committee on Governmental Operations.**

**Mr. Davies introduced—**

**S. F. No. 1934:** A bill for an act relating to probate; adopting provisions of the uniform probate code relating to intestate succession, spouse's elective share, omitted spouses and children, and

certain allowances and exempt property; amending Minnesota Statutes 1978, Chapter 524, by adding sections; repealing Minnesota Statutes 1978, Sections 525.13 to 525.16; 525.17; 525.171; 525.173 to 525.202; 525.212 to 525.216; and Minnesota Statutes, 1979 Supplement, Section 525.172.

Referred to the Committee on Judiciary.

Messrs. Bang and Kirchner introduced—

S. F. No. 1935: A bill for an act relating to metropolitan government; establishing fare policy for the metropolitan transit commission; providing free fares for certain persons during certain hours; appropriating money; amending Minnesota Statutes, 1979 Supplement, Section 473.408, Subdivision 3.

Referred to the Committee on Transportation.

Messrs. Gunderson, Strand and Nichols introduced—

S. F. No. 1936: A bill for an act relating to taxation; income tax; extending the exclusion from gross income of family farm security loan interest to loans executed prior to January 1, 1978; amending Minnesota Statutes 1978, Section 290.08, Subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knoll introduced—

S. F. No. 1937: A bill for an act relating to drivers licenses; authorizing instruction permit holders to operate a motor vehicle while receiving behind the wheel training when accompanied by licensed adults; amending Minnesota Statutes 1978, Section 171.05, Subdivision 2.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Knoll, Willet, Humphrey and Menning introduced—

S. F. No. 1938: A bill for an act relating to energy; creating the Minnesota state energy fund; authorizing the Minnesota energy agency to administer and supervise programs of loans and grants for public improvements of a capital nature relating to the construction of energy systems utilizing from renewable resources and for efficient energy delivery and use; creating a program of aid to small businesses and low and moderate incomes to assist in the large scale conversion to energy systems using renewable resources and otherwise making the use of existing systems more efficient; authorizing the issuance of state bonds pursuant to Article XI of the Minnesota Constitution; appropriating money.

Referred to the Committee on Energy and Housing.

Messrs. Ueland, A.; Gearty; Moe; Jensen and Ashbach introduced—

S. F. No. 1939: A bill for an act relating to elections; changing the time for precinct caucuses; amending Minnesota Statutes 1978, Section 202A.14, Subdivision 1.

Referred to the Committee on Elections.

Messrs. Penny, Renneke, Nichols and Olson introduced—

S. F. No. 1940: A bill for an act relating to transportation; requiring the consent of municipalities for certain trunk highway improvements; authorizing the commissioner of transportation to convey or otherwise dispose of certain lands no longer needed for trunk highway purposes; authorizing the commissioner to lease airspace above and subsurface areas below trunk highway right-of-way; adding new routes to the trunk highway system, and adding new routes in substitution of existing routes; providing for the designation of handicapped parking spaces; authorizing leaves of absence for certain employees under certain conditions; modifying the procedures for approval of plats which include lands abutting trunk highways; amending Minnesota Statutes 1978, Sections 161.172; 161.23, Subdivision 2; 161.43; 161.433, Subdivision 1; 161.44, Subdivision 1; 169.346, Subdivision 2; 174.03, by adding a subdivision; and 505.03, Subdivision 2; repealing Minnesota Statutes 1978, Section 163.07, Subdivision 3.

Referred to the Committee on Transportation.

Messrs. Nichols, Strand, Merriam, Hanson and Setzepfandt introduced—

S. F. No. 1941: A bill for an act relating to corrections; appropriating money for local correctional facility construction.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Moe introduced—

S. F. No. 1942: A bill for an act relating to natural resources; requiring county board approval before department of natural resources purchase of wildlife lands; amending Minnesota Statutes 1978, Section 97.481.

Referred to the Committee on Agriculture and National Resources.

Messrs. Spear, Barrette, Mrs. Staples, Messrs. Nelson and Knoll introduced—

S. F. No. 1943: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of vulnerable adults; requiring certain facilities to establish abuse prevention plans;

establishing a penalty; appropriating money; amending Minnesota Statutes 1978, Section 245.813, by adding a subdivision; and Chapter 626, by adding a section; repealing Minnesota Statutes 1978, Sections 245.813, Subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; and 626.555.

Referred to the Committee on Judiciary.

Messrs. Solon and Nelson introduced—

S. F. No. 1944: A bill for an act relating to local correctional facilities; updating provisions concerning county jails, city lockups and workhouses; repealing provisions concerning correctional or work farms; amending Minnesota Statutes 1978, Sections 241.022, Subdivision 1; 243.91; 588.10; 609.105, Subdivision 3; 609.135, Subdivision 4; 631.461; 641.01; 641.04; 641.06; 641.14; 641.15; 641.16; 641.18; 641.21; 641.22; 642.02, Subdivision 2; 642.03; 642.07; 643.01; 643.02; and 643.29; repealing Minnesota Statutes 1978, Sections 641.17; 641.27; 641.28; 641.29; 641.30; 641.31; 641.32; 641.33; 641.34; 641.35; 641.36; 641.37; 641.38; 642.14; 643.03; 643.04; 643.05; 643.06; 643.07; 643.08; 643.09; 643.10; 643.11; 643.12; 643.13; 643.14; 643.15; 643.16; 643.17; 643.19; and 643.20.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Solon introduced—

S. F. No. 1945: A bill for an act relating to motor vehicles; authorizing personalized license plates bearing radio or television station call signals or letters; amending Minnesota Statutes 1978, Section 168.12, Subdivision 2a.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Ueland, A.; Solon; Kirchner; Knutson and Mrs. Staples introduced—

S. F. No. 1946: A bill for an act relating to health; appropriating money for fellowships and research grants related to certain areas of health and health care.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Rued, Peterson, Chmielewski, Bernhagen and Dunn introduced—

S. F. No. 1947: A bill for an act relating to waters; apportionment of costs of maintaining highways providing access to public access sites; amending Minnesota Statutes 1978, Section 97.48, Subdivision 15.

Referred to the Committee on Agriculture and Natural Resources.

**Mr. Solon introduced—**

S. F. No. 1948: A bill for an act relating to corrections; clarifying the provisions relating to the introduction of contraband and dangerous weapons into correctional facilities; amending Minnesota Statutes 1978, Section 641.165, Subdivision 2.

Referred to the Committee on Judiciary.

**Messrs. Renneke, Setzepfandt, Bernhagen, Rued and Purfeerst introduced—**

S. F. No. 1949: A bill for an act relating to public waters; changing the procedure for the designation of public waters; amending Minnesota Statutes, 1979 Supplement, Section 105.391, Subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

**Mr. Ulland, J. introduced—**

S. F. No. 1950: A bill for an act relating to certain towns in St. Louis County; providing a method for determining whether to open or maintain certain town roads.

Referred to the Committee on Local Government.

**Messrs. Schaaf; Johnson; Keefe, S.; Nelson and Ulland, J. introduced—**

S. F. No. 1951: A bill for an act relating to public employees; expanding the right of public employees to strike; requiring joint requests for arbitration; amending Minnesota Statutes 1978, Sections 179.61; 179.65, Subdivision 7; 179.66, Subdivision 8; 179.69, Subdivisions 3, 5 and 6; 179.72, Subdivisions 6 and 10; and Minnesota Statutes, 1979 Supplement, Section 179.64, Subdivision 7.

Referred to the Committee on Governmental Operations.

**Messrs. Vega, Laufenburger and Spear introduced—**

S. F. No. 1952: A bill for an act relating to employment; requiring contractors to make efforts to hire disadvantaged workers in certain construction projects of state and metropolitan agencies; requiring cooperation and coordination of public agencies for the employment and training of disadvantaged workers in public construction projects; imposing duties on the commissioner of economic security.

Referred to the Committee on Employment.

**Messrs. Vega, Spear and Laufenburger introduced—**

S. F. No. 1953: A bill for an act relating to employment; requir-

ing employment of at least 50 percent poverty level youth in state summer employment programs; providing for reallocation of funds to certain organizations and agencies; authorizing adoption of rules; amending Minnesota Statutes 1978, Section 268.35.

Referred to the Committee on Employment.

Mr. Sikorski, Mmes. Staples, Knaak and Mr. Spear introduced—

S. F. No. 1954: A bill for an act relating to health; authorizing the registration of nursing pools; imposing requirements for registration; requiring the promulgation of rules; providing penalties for violations; requiring the establishment of maximum reimbursement rates for nursing pools; amending Minnesota Statutes 1978, Section 256B.47, by adding a subdivision.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Dieterich, Mrs. Staples, Messrs. Gunderson and Hughes introduced—

S. F. No. 1955: A bill for an act relating to the arts; providing for a payment to the artist and to the board of the arts upon the sale of certain works of fine art; providing for the use of the payments by the board; authorizing an action for damages if a payment is not made; appropriating money.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Peterson and Davies introduced—

S. F. No. 1956: A bill for an act relating to compensation of persons injured in recreational activities; allowing persons potentially liable for such injuries to provide recreational insurance covering their liabilities; prescribing benefits under such insurance; providing for recovery of benefits and other damages in such cases; placing certain limitations on recovery of damages and on actions for damages; providing for the handling of claims and the payment of benefits; providing for subrogation and indemnification rights; prescribing certain powers and duties of the commissioner of insurance.

Referred to the Committee on Judiciary.

Messrs. Penny, Willet and Peterson introduced—

S. F. No. 1957: A bill for an act relating to transportation; exempting certain substituted aircraft from payment of the aircraft registration tax; limiting refunds under certain circumstances; clarifying the penalty assessed for late payment of registration tax; amending Minnesota Statutes 1978, Sections 360.55, by adding a subdivision; and 360.61.

Referred to the Committee on Transportation.

Messrs. Nelson, Nichols, Lessard and Strand introduced—

S. F. No. 1958: A bill for an act relating to air pollution; allowing local option to permit certain open burning; amending Minnesota Statutes 1978, Section 116.07, Subdivision 4.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Willet, Johnson, Lessard, Perpich and Dunn introduced—

S. F. No. 1959: A bill for an act relating to natural resources; authorizing additional conservation officers; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Rued introduced—

S. F. No. 1960: A bill for an act relating to Aitkin county; authorizing combination on-sale and off-sale intoxicating liquor licenses.

Referred to the Committee on Commerce.

Messrs. Lessard and Strand introduced—

S. F. No. 1961: A bill for an act relating to the city of Nashwauk; police relief widows benefits; officers of association; amending Laws 1943, Chapter 196, Section 4, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Dunn, Hanson, Willet, Moe and Ulland, J. introduced—

S. F. No. 1962: A bill for an act relating to the environment; setting a date by which the environmental quality board is to amend certain procedures; changing the recipient of petitions for environmental impact statements; providing for contested case hearings; altering the liability for environmental impact statement costs under certain conditions; amending Minnesota Statutes 1978, Sections 116D.04, Subdivisions 2, 3 and 7; and 116D.045.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Wegener, Olhoft and Sillers introduced—

S. F. No. 1963: A bill for an act relating to taxation; property tax administration; eliminating mandatory assessors meetings; amending Minnesota Statutes 1978, Sections 273.03, Subdivision 1; 273.04; and Minnesota Statutes, 1979 Supplement, Sections 270.06; and 273.061, Subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Willet, Moe, Olson and Ashbach introduced—

S. F. No. 1964: A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; imposing certain duties on the registrar of motor vehicles; amending Minnesota Statutes 1978, Sections 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17; and 168A.15, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Peterson, Schaaf, Coleman and Schmitz introduced—

S. F. No. 1965: A bill for an act relating to retirement; local police and salaried firefighters' relief associations; authorizing certain municipalities to modify retirement coverage and benefits for certain police officers and firefighters by local action; establishing a local police and salaried firefighters' relief association amortization state aid program; appropriating money; amending Minnesota Statutes 1978, Section 69.77, Subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Barrette, Merriam, Dieterich, Knutson and Sillers introduced—

S. F. No. 1966: A bill for an act relating to education; clarifying responsibility for certain educational programs in chemical dependency day-treatment centers; providing funds to school districts for chemical dependency leadership activities; appropriating money; amending Minnesota Statutes 1978, Section 120.17, by adding a subdivision; and Chapter 124, by adding a section.

Referred to the Committee on Education.

Messrs. Menning, Luther, Setzepfandt and Benedict introduced—

S. F. No. 1967: A bill for an act relating to the environment; providing for public notice of certain applications to the pollution control agency; amending Minnesota Statutes 1978, Section 116.07, Subdivisions 5 and 8.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Olhoff, Engler, Menning, Gunderson and Mrs. Knaak introduced—

S. F. No. 1968: A bill for an act relating to towns; making authority to exercise certain powers optional with certain towns; amending Minnesota Statutes 1978, Section 368.01, Subdivision 1.

Referred to the Committee on Local Government.

Mr. Nichols introduced—

S. F. No. 1969: A bill for an act relating to unemployment compensation; regulating the payment of benefits; amending Minnesota Statutes 1978, Section 268.07, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Nichols introduced—

S. F. No. 1970: A bill for an act relating to transportation; requiring reflectors on railroad cars and cabooses; prescribing penalties; amending Minnesota Statutes 1978, Chapter 219, by adding a section.

Referred to the Committee on Transportation.

Mr. Menning introduced—

S. F. No. 1971: A bill for an act relating to retirement; authorizing escalation of pension benefits of retired members of the Worthington Fire Department Relief Association.

Referred to the Committee on Governmental Operations.

Messrs. Kirchner, Gearty, Laufenburger, Bang and Purfeerst introduced—

S. F. No. 1972: A bill for an act relating to metropolitan transit; permitting employers to purchase passes for resale to employees at discount; amending Minnesota Statutes, 1979 Supplement, Section 473.408, Subdivision 7.

Referred to the Committee on Transportation.

Mr. Solon introduced—

S. F. No. 1973: A bill for an act relating to police and firefighters' relief associations; providing for per diems for officers and members of the board of trustees of a police, salaried firefighters' or volunteer firefighters' relief association; amending Minnesota Statutes 1978, Section 69.80.

Referred to the Committee on Governmental Operations.

Messrs. Stern, Sikorski, Peterson, Strand and Ogdahl introduced—

S. F. No. 1974: A bill for an act relating to retirement; purchase of prior service credit in the public employees retirement association; amending Minnesota Statutes 1978, Section 353.36, Subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Dieterich, Knoll, Coleman, Anderson and Sillers introduced—

S. F. No. 1975: A bill for an act relating to housing; prohibiting unfair treatment in housing and real property on the basis of familial status; setting a penalty; amending Minnesota Statutes 1978, Sections 363.01, Subdivision 24, and by adding subdivisions; 363.02, Subdivision 2; 363.03, Subdivision 2; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

Referred to the Committee on Judiciary. Mr. Dieterich questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Laufenburger introduced—

S. F. No. 1976: A bill for an act relating to motor vehicles; defining the term "motor vehicle" for the purposes of no-fault automobile insurance; amending Minnesota Statutes 1978, Section 65B.43, Subdivision 2.

Referred to the Committee on Commerce.

Mr. Ueland, A. introduced—

S. F. No. 1977: A bill for an act relating to public holidays; regulating the observance of Memorial Day; amending Minnesota Statutes 1978, Section 465.50; and Minnesota Statutes, 1979 Supplement, Section 645.44, Subdivision 5.

Referred to the Committee on Veterans' Affairs.

Messrs. Ueland, A. and Barrette introduced—

S. F. No. 1978: A bill for an act relating to veterans; authorizing a memorial to Minnesota's war dead in Arlington National Cemetery; appropriating money.

Referred to the Committee on Veterans' Affairs.

Mr. Willet introduced—

S. F. No. 1979: A bill for an act relating to state forests; altering the boundaries of Badoura State Forest; amending Minnesota Statutes 1978, Section 89.021, Subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Merriam, Willet, Luther, Dunn and Schaaf introduced—

S. F. No. 1980: A bill for an act relating to waste management;

establishing a waste management board and a legislative commission; providing for a state government resource recovery program; providing for solid waste planning assistance and demonstration programs; providing for the issuance of state waste management bonds; providing for the establishment of solid waste management districts; requiring hazardous waste management planning and development; establishing procedures for the review and approval of permits for waste facilities; authorizing debt; appropriating money; amending Minnesota Statutes 1978, Sections 116.06, Subdivisions 9, 10, 13, and by adding subdivisions; 116.07, Subdivisions 2, 4, 4a, and by adding a subdivision; 116.081, Subdivision 1; 116.101; 116.11; 116.41; 400.03, Subdivision 1; 400.04; 400.06; 400.07; 400.13; 400.16; 400.161; 473.121, by adding a subdivision; 473.149; 473.502; 473.516; 473.802; 473.803; 473.811; 473.812, Subdivision 3; 473.813; 473.823, by adding a subdivision; Chapter 400, by adding a section; and Chapter 473, by adding sections; repealing Minnesota Statutes 1978, Sections 116F.01 to 116F.05; 400.03, Subdivisions 2 to 7; 473.121, Subdivisions 27 to 31c; and 473.823, Subdivisions 1, 2, and 4.

Referred to the Committee on Agriculture and Natural Resources.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

February 4, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 1128 and 960.

Sincerely yours,  
Albert H. Quie, Governor

February 11, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 1361 and 687.

Sincerely yours,  
Albert H. Quie, Governor

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has discharged its conference committee on Senate File No. 129 and has appointed a new conference committee.

The members of the new conference committee on Senate File No. 129 are: Sieben, M.; Otis; Osthoff; Peterson, B. and Ewald.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 11, 1980

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1625: A bill for an act relating to the town of Greenwood; granting the town the power to specially assess for a bridge improvement.

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

Page 1, line 9, after "assess" insert "to the Isle of Pines property owners"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1755: A bill for an act relating to towns; permitting compensation and providing for mileage of deputy clerks; amending Minnesota Statutes 1978, Section 367.05, Subdivision 2.

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

Page 1, line 20, strike "15 cents per mile" and insert "*that amount provided by section 471.665, subdivision 1*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1619: A bill for an act relating to the metropolitan transit area; providing for contracts with socially or economically disadvantaged persons and handicapped persons; amending Minnesota Statutes 1978, Chapter 473, by adding a section.

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

Page 1, line 11, delete "[473.45]" and insert "[473.406]"

Page 2, line 1, after "commerce," insert "physical handicap,"

Page 2, delete lines 2 to 4

Reletter the clauses in sequence

Page 2, line 16, delete "(d)" and insert "(c)"

Page 2, line 25, delete "business entities" and insert "subcontractors"

Page 2, line 27, delete "as subcontractors"

Page 3, line 26, delete "may" and insert "shall"

Page 3, line 28, after "entities" insert "eligible to participate in the set-aside program authorized in this section are"

Page 3, line 29, delete "are eligible"

Page 3, delete line 30

Page 3, line 31, delete "section"

Page 3, line 31, delete "may" and insert "shall"

Page 3, line 33, delete "and" and insert "

*Subd. 7. [OTHER LAWS SUPERSEDED.]*"

Page 4, after line 4, insert:

*"Sec. 3. This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 4, delete "and" and insert "including"

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1676: A bill for an act relating to taxation; providing an income tax credit for wages paid to certain disadvantaged employees; amending Minnesota Statutes 1978, Section 290.06, by adding a subdivision.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 711: A bill for an act relating to highway traffic regulations; authorizing physician's trained mobile intensive care paramedics to withdraw blood for the purpose of determining the presence of alcohol or controlled substances under the implied consent law; amending Minnesota Statutes 1978, Section 169.123, Subdivision 3.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1769: A bill for an act relating to general assistance; authorizing and setting minimum limits for allowances for personal needs in certain cases; amending Minnesota Statutes 1978, Section 256D.06, by adding a subdivision.

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

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

S. F. No. 455: A bill for an act relating to liquor; registration of labels; amending Minnesota Statutes 1978, Section 340.62.

Reports the same back with the recommendation that the report from the Committee on Commerce shown in the Journal for May 19, 1979, "And when so amended the bill do pass" be not adopted and the bill be returned to the Committee on Commerce. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S. F. Nos. 1679 and 1704 reports the same back with the recommendation that the bills be re-referred as follows:

S. F. No. 1704 to the Committee on Commerce.

S. F. No. 1679 to the Committee on Transportation.

Report adopted.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1652, 1722, 1729, 1240, 1584, 1772 and 1764, makes the following report:

That the above Senate Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

#### APPOINTMENTS

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

S. F. No. 74: Messrs. Davies; Keefe, S. and Jensen.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S. F. No. 1755 was read the second time.

S. F. Nos. 1625 and 1619 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**SECOND READING OF HOUSE BILLS**

H. F. No. 711 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**MOTIONS AND RESOLUTIONS**

Mr. Peterson moved that the names of Messrs. Wegener, Willet and Strand be added as co-authors to S. F. No. 407. The motion prevailed.

Mr. Knoll moved that the name of Mr. Keefe, S. be added as co-author to S. F. No. 1630. The motion prevailed.

Mr. Humphrey moved that the name of Mr. Stern be added as co-author to S. F. No. 1631. The motion prevailed.

Mr. Menning moved that the name of Mr. Engler be added as co-author to S. F. No. 1772. The motion prevailed.

Mr. Stern moved that the name of Mr. Dunn be added as co-author to S. F. No. 1843. The motion prevailed.

Mr. Sikorski moved that the name of Mr. Merriam be added as co-author to S. F. No. 1883. The motion prevailed.

Mr. Penny moved that the name of Mr. Dunn be added as co-author to S. F. No. 1884. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dunn be added as co-author to S. F. No. 1887. The motion prevailed.

Mr. Schmitz moved that the name of Mr. Olhoft be added as co-author to S. F. No. 1903. The motion prevailed.

Mr. Penny moved that the names of Messrs. Olhoft, Strand and Stern be added as co-authors to S. F. No. 1923. The motion prevailed.

Mr. Johnson moved that the name of Mr. Perpich be added as co-author to Senate Resolution No. 43. The motion prevailed.

Mr. Penny moved that the name of Mr. Lessard be added as co-author to S. F. No. 1849. The motion prevailed.

Mr. Coleman, for the Committee on Rules and Administration, offered the following resolution:

**BE IT RESOLVED**, by the Senate: That Senate Resolution No. 3 relating to standing committees of the Senate for the 71st Session, Senate Journal, January 3, 1979, pages 16-19, as amended

by the Senate on January 15, 1979, Senate Journal page 87 and January 22, 1980, be further amended as follows:

Veterans' Affairs

Delete: Dunn

Add: Knaak

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

Mr. Laufenburger moved that S. F. No. 285 be taken from the table. The motion prevailed.

S. F. No. 285: A bill for an act relating to interest rates; increasing permissible finance charges for open end credit sales; providing for calculation of finance charges on open end credit sales; amending Minnesota Statutes 1978, Section 334.16, Subdivision 1, and by adding a subdivision.

#### CALL OF THE SENATE

Mr. Laufenburger imposed a call of the Senate for the balance of the proceedings on S. F. No. 285. The following Senators answered to their names:

Anderson	Jensen	Nelson	Rued	Stern
Bang	Johnson	Nichols	Schaaf	Stokowski
Barrette	Keefe, S.	Ogdahl	Schmitz	Strand
Benedict	Kleinbaum	Olson	Setzepfandt	Stumpf
Bernhagen	Knoll	Penny	Sieloff	Tennessee
Coleman	Laufenburger	Perpich	Sikorski	Ueland, A.
Dunn	Lessard	Peterson	Sillers	Ulland, J.
Engler	Luther	Pillsbury	Solon	Wegener
Frederick	Merriam	Purfeerst	Spear	
Gearty	Moe	Renneke	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

#### CONCURRENCE AND REPASSAGE

Mr. Laufenburger moved that the Senate concur in the amendments by the House to S. F. No. 285 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 285: A bill for an act relating to interest rates; increasing permissible finance charges for open end credit sales; providing for calculation of finance charges on open end credit sales; amending Minnesota Statutes 1978, Section 334.16, Subdivision 1.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Lessard	Pillsbury	Solon
Ashbach	Frederick	Menning	Purfeerst	Staples
Bang	Gunderson	Moe	Renneke	Stern
Bernhagen	Hanson	Nelson	Rued	Strand
Brataas	Jensen	Nichols	Schaaf	Tennessee
Chmielewski	Kleinbaum	Ogdahl	Schmitz	Ueland, A.
Coleman	Knaak	Olson	Setzpfandt	Ueland, J.
Davies	Knutson	Penny	Sieloff	Wegener
Dunn	Laufenburger	Peterson	Sillers	

Those who voted in the negative were:

Barrette	Hughes	Luther	Spear
Benedict	Humphrey	Merriam	Stokowski
Dieterich	Johnson	Perpich	Stumpf
Gearty	Keefe, S.	Sikorski	Willet

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

#### CONSENT CALENDAR

S. F. No. 1471: A bill for an act relating to local government; regulating elections in the city of Duluth and Independent School District 709; setting the filing dates in local primary elections back four weeks to allow the city additional time to prepare.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Menning	Renneke	Stokowski
Ashbach	Gearty	Merriam	Rued	Strand
Bang	Hanson	Moe	Schaaf	Stumpf
Barrette	Hughes	Nelson	Schmitz	Tennessee
Benedict	Jensen	Nichols	Setzpfandt	Ueland, A.
Bernhagen	Johnson	Ogdahl	Sieloff	Ueland, J.
Brataas	Kleinbaum	Olson	Sikorski	Wegener
Chmielewski	Knaak	Penny	Sillers	Willet
Coleman	Knutson	Perpich	Solon	
Davies	Laufenburger	Peterson	Spear	
Dunn	Lessard	Pillsbury	Staples	
Engler	Luther	Purfeerst	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1609: A bill for an act relating to education; extending the coverage of a grandfather provision allowing certain pupils to attend school in a school district other than the district in which the pupil resides; amending Minnesota Statutes, 1979 Supplement, Section 120.075.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Lessard	Pillsbury	Staples
Ashbach	Frederick	Luther	Purfeerst	Stern
Bang	Gearty	Menning	Renneke	Stokowski
Barrette	Gunderson	Merriam	Rued	Strand
Benedict	Hanson	Moe	Schaaf	Stumpf
Bernhagen	Hughes	Nelson	Schmitz	Tennessee
Brataas	Jensen	Nichols	Setzepfandt	Ueland, A.
Chmielewski	Johnson	Ogdahl	Sieloff	Ulland, J.
Coleman	Keefe, S.	Olson	Sikorski	Wegener
Davies	Kleinbaum	Penny	Sillers	Willet
Dieterich	Knaak	Perpich	Solon	
Dunn	Knutson	Peterson	Spear	

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, February 18, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SIXTY-EIGHTH DAY

St. Paul, Minnesota, Monday, February 18, 1980

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

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Gearty	Knaak	Perpich	Stern
Bang	Gunderson	Lessard	Pillsbury	Stokowski
Barrette	Hanson	Luther	Purfeerst	Strand
Bernhagen	Hughes	McCutcheon	Rued	Stumpf
Brataas	Humphrey	Menning	Schmitz	Ueland, A.
Coleman	Jensen	Merriam	Setzpfandt	Willet
Dunn	Johnson	Moe	Sieloff	
Engler	Keefe, S.	Nelson	Solon	
Frederick	Kirchner	Penny	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. George C. Stierwald.

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

Anderson	Gearty	Lessard	Peterson	Staples
Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	McCutcheon	Purfeerst	Stokowski
Barrette	Hughes	Menning	Renneke	Strand
Bernhagen	Humphrey	Merriam	Rued	Stumpf
Brataas	Jensen	Moe	Schaaf	Ueland, A.
Chmielewski	Johnson	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nichols	Setzpfandt	Wegener
Davies	Keefe, S.	Ogdahl	Sieloff	Willet
Dieterich	Kirchner	Olhoft	Sikorski	
Dunn	Knaak	Olson	Sillers	
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Spears	

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Benedict, Kleinbaum, Knoll, Tennessen and Vega were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Knoll; Ulland, J.; Anderson; Mrs. Staples and Mr. Johnson introduced—

S. F. No. 1981: A bill for an act relating to housing; appropriating money for American Indian housing.

Referred to the Committee on Energy and Housing.

Messrs. Chmielewski, Rued and Kleinbaum introduced—

S. F. No. 1982: A bill for an act relating to mines and mining; regulation of exploratory boring for minerals by county and town boards under standards of the department of health; providing for penalties, injunctive relief and civil damages.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Peterson, Ashbach, Coleman, Renneke and McCutcheon introduced—

S. F. No. 1983: A bill for an act relating to commerce; limiting product liability actions against non-manufacturers.

Referred to the Committee on Judiciary.

Mr. Sieloff introduced—

S. F. No. 1984: A bill for an act relating to attachment, garnishment and executions; exempting certain insurance contracts and rights of action from garnishment or attachment; amending Minnesota Statutes 1978, Section 550.37, by adding subdivisions.

Referred to the Committee on Judiciary.

Messrs. Sikorski, Stern, Sieloff, Vega and Ashbach introduced—

S. F. No. 1985: A bill for an act relating to municipal industrial development; requiring consideration of certain policy matters; defining projects; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1b; and Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7a.

Referred to the Committee on Governmental Operations.

Messrs. Johnson, Renneke and Moe introduced—

S. F. No. 1986: A bill for an act relating to historic sites and monuments; adding property to Split Rock Lighthouse historic

site; reestablishing Traverse des Sioux historic site as a state monument; appropriating funds; amending Minnesota Statutes 1978, Sections 138.025, Subdivision 10; and 138.585, by adding a subdivision; repealing Minnesota Statutes 1978, Section 138.55, Subdivision 5.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Menning, Bernhagen, Olhoft, Strand and Humphrey introduced—

S. F. No. 1987: A bill for an act relating to taxation; providing a property tax exemption for alcohol fuel production equipment; amending Minnesota Statutes 1978, Section 273.11, Subdivision 6.

Referred to the Committee on Energy and Housing.

Messrs. Menning, Olhoft, Olson and Rued introduced—

S. F. No. 1988: A bill for an act relating to waters; exempting rural water user districts from certain fluoridation requirements; amending Minnesota Statutes 1978, Section 144.145.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Menning, Willet, Schmitz, Renneke and Chmielewski introduced—

S. F. No. 1989: A bill for an act relating to cooperative associations; allowing board of directors to elect an executive committee; prescribing certain powers of the executive committee and board; amending Minnesota Statutes, 1979 Supplement, Section 308.11.

Referred to the Committee on Judiciary.

Messrs. Menning, Willet, Strand, Renneke and Chmielewski introduced—

S. F. No. 1990: A bill for an act relating to agriculture; clarifying certain requirements for authorized farm corporations; amending Minnesota Statutes 1978, Section 500.24, Subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Dieterich, Barrette and Spear introduced—

S. F. No. 1991: A bill for an act relating to human rights; further defining certain unfair discriminatory practices related to reprisals; defining the scope of a class for class action suits; increasing a penalty by increasing allowable punitive damages; amending Minnesota Statutes 1978, Sections 363.03, Subdivision

7; 363.071, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 363.06, Subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Schaaf, Pillsbury and Ueland, A. introduced—

S. F. No. 1992: A bill for an act relating to elections; providing for preparation of consolidated primary election ballots by counties at state expense; amending Minnesota Statutes 1978, Section 203A.23, Subdivision 1.

Referred to the Committee on Elections.

Messrs. Perpich, Johnson, Lessard, Schaaf and Coleman introduced—

S. F. No. 1993: A bill for an act relating to economic development; requiring that a majority of the members of the iron range resources and rehabilitation board represent legislative districts containing taconite tax relief areas; amending Minnesota Statutes 1978, Section 298.22, Subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Pillsbury, Barrette and Rued introduced—

S. F. No. 1994: A bill for an act relating to taxation; income tax; excluding certain interest income from gross income; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Schaaf, Humphrey and Anderson introduced—

S. F. No. 1995: A bill for an act relating to municipal industrial revenue bonds; providing for reports; amending Minnesota Statutes 1978, Chapter 474, by adding a section.

Referred to the Committee on Governmental Operations.

Mr. Spear introduced—

S. F. No. 1996: A bill for an act relating to the city of Minneapolis; providing for positions in the unclassified service; amending Laws 1969, Chapter 937, Section 1, Subdivision 1, as amended, and by adding subdivisions.

Referred to the Committee on Local Government.

Mr. Nelson introduced—

S. F. No. 1997: A bill for an act relating to the city of Austin;

authorizing the establishment and financing of the capital cost of a solid waste disposal system and program.

Referred to the Committee on Local Government.

Mr. Nichols introduced—

S. F. No. 1998: A bill for an act relating to unemployment compensation; regulating the contribution rate of employers; amending Minnesota Statutes, 1979 Supplement, Section 268.06, Subdivision 8.

Referred to the Committee on Employment.

Mrs. Staples, Messrs. Sieloff, Spear and Ulland, J. introduced—

S. F. No. 1999: A bill for an act relating to children; specifying rights of stepparents to visit certain children.

Referred to the Committee on Judiciary.

Messrs. Strand, Setzepfandt and Nichols introduced—

S. F. No. 2000: A bill for an act relating to education; removing a limitation on the state board for vocational education's authority to approve certain fund transfers for post-secondary vocational-technical schools; modifying the procedure for allocating categorical aid to those schools; amending Minnesota Statutes, 1979 Supplement, Sections 121.912, Subdivision 1 and 124.563, Subdivision 1.

Referred to the Committee on Education.

Mr. Penny introduced—

S. F. No. 2001: A bill for an act relating to transportation; requiring the department of transportation to conduct a survey of certain communities to determine certain information; appropriating money.

Referred to the Committee on Transportation.

Mr. Nichols introduced—

S. F. No. 2002: A bill for an act relating to taxation; real property; increasing the number of acres of agricultural land subject to homestead relief; amending Minnesota Statutes 1978, Section 273.13, Subdivision 6a; and Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Mr. Keefe, S. introduced—

S. F. No. 2003: A bill for an act relating to public welfare; clarifying duties of the commissioner of public welfare regarding approval of public and private mental health centers and clinics for certain purposes; mandating additional rulemaking; amending Minnesota Statutes, 1979 Supplement, Section 245.69.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Solon introduced—

S. F. No. 2004: A bill for an act relating to financial institutions; granting certain lending powers to savings associations and savings and loan associations; amending Minnesota Statutes 1978, Section 51A.21, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Peterson; Moe; Strand; Ueland, A. and Schmitz introduced—

S. F. No. 2005: A bill for an act relating to education; exempting certain adult vocational-technical school teachers from a license requirement and from participation in certain retirement programs; including additional persons in teachers retirement; amending Minnesota Statutes 1978, Section 354.05, Subdivision 2; and Chapter 125, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 353.01, Subdivision 2b.

Referred to the Committee on Education.

Mr. Davies introduced—

S. F. No. 2006: A bill for an act relating to drivers' licenses; authorizing the issuance of a driver's license without examination to certain persons under certain circumstances; amending Minnesota Statutes 1978, Section 171.03.

Referred to the Committee on Transportation.

Messrs. Davies, Dieterich, Bernhagen and Wegener introduced—

S. F. No. 2007: A bill for an act relating to courts; changing the responsibility for prosecution of certain offenses; providing for the division of fines and penalties among various authorities; amending Minnesota Statutes 1978, Sections 299D.03, Subdivision 5; 487.25, Subdivision 10; 487.33, Subdivision 5; 488A.10, Subdivision 11; 488A.20, Subdivision 4; 488A.27, Subdivision 11; and Minnesota Statutes, 1979 Supplement, Section 388.051; repealing Minnesota Statutes 1978, Sections 487.33, Subdivision 6; and 488A.101.

Referred to the Committee on Judiciary.

Messrs. Strand and Peterson introduced—

S. F. No. 2008: A bill for an act relating to education; excluding the mandatory participation of certain part-time adult vocational education instructors in various state retirement systems; amending Minnesota Statutes 1978, Section 354.05, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 353.01, Subdivision 2b; and 354A.011, Subdivision 27.

Referred to the Committee on Governmental Operations.

Mr. Renneke introduced—

S. F. No. 2009: A bill for an act relating to taxation; providing that the proceeds of the motor vehicle excise tax shall be deposited in the highway user tax distribution fund for highway purposes; amending Minnesota Statutes 1978, Sections 168.27, Subdivision 16; 297B.035, Subdivision 2; and 297B.09.

Referred to the Committee on Transportation.

Messrs. Stern, Dieterich, Hughes, Mrs. Staples and Mr. Bang introduced—

S. F. No. 2010: A bill for an act relating to taxation; income tax; providing a deduction from gross income for certain post secondary school tuition expenses; amending Minnesota Statutes 1978, Section 290.09, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Spear and Davies introduced—

S. F. No. 2011: A bill for an act relating to juveniles; amending provisions relating to the detention and disposition of juveniles charged with contempt; amending Minnesota Statutes 1978, Sections 260.015, Subdivision 5; 260.173, Subdivision 3; and 260.185, Subdivision 1.

Referred to the Committee on Judiciary.

Mr. Renneke introduced—

S. F. No. 2012: A bill for an act relating to cooperatives; authorizing the board of directors by resolution to allow stockholders to elect members of the board by mail vote; amending Minnesota Statutes 1978, Section 308.07, Subdivision 10.

Referred to the Committee on Judiciary.

Messrs. Renneke and Purfeerst introduced—

S. F. No. 2013: A bill for an act relating to public safety; regulating boilers, other apparatus and their operators; providing

penalties; amending Minnesota Statutes 1978, 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; 183.52; 183.53; 183.54; 183.545; 183.56; 183.57; 183.59; 183.60; 183.61; 183.62; and Chapter 183, by adding sections; repealing Minnesota Statutes 1978, Section 183.39, Subdivision 2.

Referred to the Committee on Commerce.

Messrs. Bernhagen; Knoll; Ogdahl; Ulland, J. and Anderson introduced—

S. F. No. 2014: A bill for an act relating to housing; appropriating money to the Minnesota housing finance agency for the purpose of subsidizing certain loan origination fees; requiring a report.

Referred to the Committee on Energy and Housing.

Mrs. Staples, Messrs. Nichols, Nelson, Barrette and Mrs. Stokowaki introduced—

S. F. No. 2015: A bill for an act relating to drivers licenses; providing that certain application forms include a place for applicants to indicate their desire to make an anatomical gift; requiring persons authorized to accept drivers license and renewal applications and applications for Minnesota identification cards to inquire of applicants whether they desire to make an anatomical gift; amending Minnesota Statutes 1978, Sections 171.06, Subdivision 3, and by adding a subdivision; and 171.07, Subdivision 3.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Knoll introduced—

S. F. No. 2016: A bill for an act relating to appropriations; providing for a traffic light at an intersection near the state capitol; appropriating money.

Referred to the Committee on Transportation.

Mrs. Staples; Messrs. Ulland, J.; Sikorski; Schaaf and Ogdahl introduced—

S. F. No. 2017: A bill for an act relating to municipal industrial development; defining projects appropriate for development; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1c.

Referred to the Committee on Governmental Operations.

Messrs. Hanson, Merriam, Knutson, Barrette and Dieterich introduced—

S. F. No. 2018: A bill for an act relating to civil actions; limitations of actions; providing that actions for malpractice against chiropractors be commenced within two years; amending Minnesota Statutes 1978, Section 541.07.

Referred to the Committee on Judiciary.

Mr. Stern, Mrs. Staples, Messrs. Humphrey and Ogdahl introduced—

S. F. No. 2019: A bill for an act relating to cable communications; authorizing joint municipal franchising; amending Minnesota Statutes 1978, Section 238.08, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Stern, Strand, Peterson, Schmitz and Ogdahl introduced—

S. F. No. 2020: A bill for an act relating to retirement; authorizing purchase of allowable service credit in the public employees police and fire fund by a certain former police officer in the city of St. Louis Park.

Referred to the Committee on Governmental Operations.

Messrs. Peterson, Nichols, Strand and Moe introduced—

S. F. No. 2021: A bill for an act relating to agriculture; establishing a program of loan guarantees for development of grain alcohol fuel facilities; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Luther, Mrs. Staples and Mr. Schaaf introduced—

S. F. No. 2022: A bill for an act relating to state government; providing for the publication of certain agency data and for notice of vacancies on boards, commissions, councils, task forces, and similar agencies; appropriating money; amending Minnesota Statutes 1978, Section 15.0597, Subdivisions 3, 4, 5, 6 and 7.

Referred to the Committee on Governmental Operations.

Messrs. Luther, Benedict, Merriam, Sikorski and Humphrey introduced—

S. F. No. 2023: A bill for an act relating to nuclear safety; licensing and regulating nuclear power plants, reactors, and spent nuclear fuel disposal sites; empowering the department of health

to conduct monitoring and emergency contingency planning; appropriating funds.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Willet and Dunn introduced—

S. F. No. 2024: A bill for an act relating to water; establishing a water policy committee within the environmental quality board; assigning duties; appropriating money; amending Minnesota Statutes 1978, Chapter 116C, by adding a section; repealing Minnesota Statutes 1978, Section 105.401.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Willet, Dunn, Peterson, Nichols and Hanson introduced—

S. F. No. 2025: A bill for an act relating to water resources; continuing the water planning board; changing its membership and duties; appropriating money; amending Minnesota Statutes 1978, Section 105.401; and Laws 1979, Chapter 333, Section 31, Subdivision 5.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Keefe, S. introduced—

S. F. No. 2026: A bill for an act relating to licensed public accountants; extending the period for obtaining a license; amending Minnesota Statutes, 1979 Supplement, Section 326.191.

Referred to the Committee on Commerce.

Messrs. Nelson, Hanson, Perpich, Spear and Mrs. Brataas introduced—

S. F. No. 2027: A bill for an act relating to public welfare; authorizing certain payments to shelter facilities for battered women; requiring direct payments to shelter facilities from general assistance; amending Minnesota Statutes 1978, Section 256D.05, Subdivision 3.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Bernhagen, Anderson, Ogdahl, Mrs. Staples and Mr. Sillers introduced—

S. F. No. 2028: A bill for an act relating to energy; providing for a community development and assistance program; requiring in-

spection of combustion air intakes; regulating rates of cogenerating power plants; authorizing tax levies for energy conservation measures; authorizing income tax credits for commuter van purchases; inspection of insulation materials; renewable energy grants, ride sharing, fuelwood management, ethanol plant demonstration; appropriating funds; amending Minnesota Statutes 1978, Sections 116H.087; 116H.12, Subdivision 11; 116H.129, Subdivision 5; and by adding a subdivision; 275.125, by adding a subdivision; 275.50, by adding a subdivision; 290.06, by adding a subdivision; and 325.986, by adding subdivisions; Chapters 116H and 216B, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 116H.02, Subdivision 5; and 116H.22; repealing Minnesota Statutes 1978, Sections 116H.125; and 325.986, Subdivisions 1 and 2.

Referred to the Committee on Energy and Housing.

Messrs. Luther, Tennesen, Mrs. Brataas and Mr. Sikorski introduced—

S. F. No. 2029: A bill for an act relating to insurance; extending the temporary joint underwriting association act for an additional two year period; amending Minnesota Statutes 1978, Section 62F.01, Subdivision 2.

Referred to the Committee on Commerce.

Messrs. Davies and Tennesen introduced—

S. F. No. 2030: A bill for an act relating to juveniles; amending the definitions of "delinquent", "dependent" and "neglected" child; providing for appointment of a referee to juvenile court by the chief judge of the judicial district; providing for alternative residential placement for children who are in conflict with their families; providing peace officers with authority to take runaway children into limited custody; providing penalties; amending Minnesota Statutes 1978, Sections 260.015, Subdivisions 2, 3, 5, 6, 7, 10, and by adding a subdivision; 260.031, Subdivisions 1, 2, and 4; 260.101; 260.111, Subdivision 1; 260.125; 260.135, Subdivisions 1, 2, and 5; 260.141, Subdivision 1; 260.145; 260.151, Subdivision 2; 260.155, Subdivisions 1, 2, 4, and by adding a subdivision; 260.165, Subdivision 1; 260.173, Subdivision 2; 260.191, Subdivision 1; 260.251, Subdivision 2; and Chapter 260, by adding sections; repealing Minnesota Statutes 1978, Sections 260.015, Subdivision 9; 260.103; and 260.173, Subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Bernhagen, Chmielewski, Johnson, Frederick and Engler introduced—

S. F. No. 2031: A bill for an act relating to taxation; real property; increasing the state paid agricultural credit for certain

agricultural and recreational property; amending Minnesota Statutes, 1979 Supplement, Section 273.132.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Penny, Olhoft, Perpich, Bernhagen and Sillers introduced—

S. F. No. 2032: A bill for an act relating to municipal electric power; permitting municipal power agencies to contract and do business with foreign entities; amending Minnesota Statutes 1978, Section 453.52, Subdivision 9.

Referred to the Committee on Commerce.

Messrs. Davies, Willet, Ashbach, Luther and Moe introduced—

S. F. No. 2033: A bill for an act relating to state government; stating the legislative intent on the financing of the zoo ride at the Minnesota Zoological Garden; establishing programs to defend the state's ability to incur debt due to any bankruptcy of the zoo ride; appropriating money.

Referred to the Committee on Finance.

Mr. Merriam introduced—

S. F. No. 2034: A bill for an act relating to education; adjusting certain aid payments for post-secondary vocational education; removing the requirement of an annual student count for purposes of aid computation; requiring the state board for vocational education to establish certain rules; clarifying terms in the management of funds and equipment; modifying the existing contingency fund and creating a fund for adult new jobs; amending Minnesota Statutes 1978, Section 124.11, by adding a subdivision and Chapter 124, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 124.11, Subdivisions 2a and 2b; 124.562, Subdivisions 3 and 4; 124.5621, Subdivision 11, and by adding a subdivision; 124.5624, Subdivision 6; and 124.5625; repealing Laws 1979, Chapter 334, Article V, Section 29, Subdivision 4.

Referred to the Committee on Education.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

February 8, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the Occupational Safety and

Health Review Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Dan W. Gustafson, 2932 Jersey Avenue North, Minneapolis, Hennepin County, has been appointed by me, effective February 8, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Employment.)

Sincerely,  
Albert H. Quie, Governor

February 7, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
1128		341	February 4	February 7
960		342	February 4	February 7

Sincerely,  
Joan Anderson Growe,  
Secretary of State

February 11, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
687		343	February 11	February 11
1361		344	February 11	February 11

Sincerely,  
Joan Anderson Growe,  
Secretary of State

February 13, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. No. 618.

Sincerely yours,  
Albert H. Quie, Governor

February 14, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1980 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:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
618		345	February 13	February 14

Sincerely,  
Joan Anderson Growe,  
Secretary of State

February 13, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

On February 13, 1980 the Subcommittee on Committees met at the State Capitol and by appropriate action made the following appointments:

Pursuant to Minnesota Statutes 1978, Section 86.07, Legislative Commission on Minnesota Resources

Mr. Luther

Pursuant to Minnesota Statutes 1978, Section 3.85, Legislative Commission on Pensions and Retirement

Mr. Schmitz

Respectfully submitted,  
Nicholas D. Coleman, Chairman,  
Subcommittee on Committees

**MESSAGES FROM THE HOUSE**

**Mr. President:**

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1715, 941 and 1693.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 14, 1980

**FIRST READING OF HOUSE BILLS**

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

**H. F. No. 1715:** A resolution memorializing the Civil Aeronautics Board and the President of the United States to authorize non-stop service by Northwest Airlines between Minneapolis-St. Paul and London.

Referred to the Committee on Transportation.

**H. F. No. 941:** A bill for an act relating to corrections; creating a code of corrections; reorganizing various laws relating to corrections, including laws relating to the commissioner, personnel, the ombudsman, compacts, acts, and agreements, institutions, industries, offenders, community-based services, and releases; providing penalties; amending Minnesota Statutes 1978, Sections 244.01, Subdivisions 1 and 2; 244.08; 609.165, Subdivision 1; Chapters 144, by adding a section; 244, by adding a section; and 631, by adding sections; repealing Minnesota Statutes 1978, Sections 241.01; 241.02; 241.021; 241.022; 241.045; 241.05; 241.06; 241.07; 241.08; 241.09; 241.10; 241.11; 241.13; 241.14; 241.15; 241.16; 241.17; 241.18; 241.19; 241.20; 241.21; 241.22; 241.23; 241.25; 241.251; 241.26, Subdivisions 1 to 6; 241.271; 241.28; 241.29; 241.30; 241.31; 241.32; 241.41; 241.42; 241.43; 241.44; 241.45; 241.51; 241.52; 241.53; 241.55; 241.56; 241.57; 241.58; 241.61; 241.62; 241.63; 241.64; 241.65; 241.66; 241.69; 242.09; 242.10; 242.14; 242.18; 242.19; 242.20; 242.21; 242.22; 242.23; 242.24; 242.31; 242.32; 242.37; 242.375; 242.385; 242.43; 242.44; 242.45; 242.46; 242.47; 242.48; 242.52; 242.53; 242.55; 243.05; 243.06; 243.07; 243.09; 243.10; 243.12; 243.14; 243.15; 243.16; 243.17; 243.18; 243.20; 243.211; 243.22; 243.23; 243.24; 243.25; 243.26; 243.465; 243.49; 243.50; 243.51; 243.52; 243.53; 243.57; 243.58; 243.61; 243.62; 243.64; 243.78; 243.87; 243.88; 243.91; 260.51; 260.52; 260.53; 260.54; 260.55; 260.56; 260.57; 609.105, Subdivision 2; 609.12; 629.292; 629.294; and Chapter 401; and Minnesota Statutes, 1979 Supplement, Sections 241.023; 241.024; 241.26, Subdivision 7; 241.27; 242.41; 242.51; 243.21; 243.40; 243.48; 243.55; 243.56; 243.59; 243.75; and 243.90.

Referred to the Committee on Health, Welfare and Corrections.

**H. F. No. 1693:** A resolution memorializing the President and

Vice President of the United States, the United States Congress, and the United States Secretary of Defense to select the Duluth Air Force Base as the Space Shuttle Control Center.

Referred to the Committee on Rules and Administration.

### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted with the exception of the report on S. F. No. 1633. The motion prevailed.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1759: A bill for an act relating to counties; providing for sheriffs and deputies compensation and expenses; permitting compensation for use of automobiles; amending Minnesota Statutes 1978, Section 387.20, Subdivisions 1 and 6.

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

Page 2, strike lines 21 to 23

Page 2, line 24, strike "person of whom it was hired"

Page 2, line 28, strike the period

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1709: A bill for an act relating to corrections; providing for licensing of correctional facilities; regulating inmate earnings; providing for the investment of funds in the correctional industries revolving account; prohibiting the introduction of contraband into other state institutions; prescribing penalties; amending Minnesota Statutes 1978, Sections 241.021, Subdivision 1; 243.24, Subdivision 1; Minnesota Statutes, 1979 Supplement, Sections 241.27, Subdivision 2; and 243.55, Subdivision 1.

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

Page 4, delete lines 16 to 21

Page 6, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1978, Section 243.88, Subdivision 2, is amended to read:

Subd. 2. Any corporation operating a factory or other business or commercial enterprise under this section may employ selected inmates of the correctional institution upon whose grounds it operates and persons conditionally released subject to the provisions

of section 241.26. Persons conditionally released as provided in this subdivision shall be deemed to be parolees within the purview of 49 United States Code, Section 60.

Except as prohibited by applicable provisions of the United States Code, inmates of state correctional institutions may be employed in the manufacture and processing of goods, wares and merchandise for introduction into interstate commerce, provided that they are paid no less than the prevailing minimum wages for work of a similar nature performed by employees with similar skills in the locality in which the work is being performed.

*Under rules prescribed by the commissioner of corrections a portion of the wages of each inmate employed as authorized by this subdivision, in an amount to be determined by the commissioner, shall be set aside and kept by the chief executive officer of the facility in the public welfare fund of the state for the benefit of the inmate and for the purpose of assisting him when he leaves the facility on conditional release or by final discharge. Any portion remaining undisbursed at the time of the inmate's final discharge shall be given to him upon final discharge.*

*Sec. 5. Pursuant to section 15.0412, subdivision 5, the commissioner of corrections may amend existing rules 11 MCAR, sections 2.402 and 2.403 to comply with the amendments contained in sections 1 to 4.*

*Sec. 6. Sections 1 to 5 are effective the day following final enactment."*

Amend the title as follows:

Page 1, delete lines 6 and 7, and insert "authorizing the commissioner of corrections to amend MCAR, sections 2.402 to 2.403;"

Page 1, after line 9, insert "243.88, Subdivision 2; and"

Page 1, line 10, delete "Sections" and insert "Section"

Page 1, line 11, delete everything after "2" and insert a period

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

Mr. Chmielewski from the Committee on Veterans' Affairs, to which was referred

S. F. No. 1828: A bill for an act relating to veterans; establishing at the Fergus Falls State Hospital a domiciliary home for veterans and a unit for the treatment of drug dependent persons; making appropriations; amending Minnesota Statutes 1978, Sections 253.015 and 254A.03, by adding a subdivision.

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

Page 1, delete lines 18 to 20, and insert "also be operated as a

*domiciliary home for veterans in accordance with the United States Veteran's Administration regulations, as amended through January 1, 1980, for veterans' domiciliary homes."*

Page 2, line 2, strike "Hastings,"

Page 2, line 3, after "St. Peter," insert "Brainerd"

Page 2, line 9, strike "thereof" and insert "of that county"

Page 2, delete lines 12 to 16

Page 2, line 19, delete "21, 23 and 31"

Page 2, after line 24, insert:

*"Sec. 4. [EFFECTIVE DATE.] This act is effective the day following final enactment."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "and" insert "authorizing remodeling of buildings for"

Page 1, line 5, delete "appropriations" and insert "an appropriation"

Page 1, line 6, delete "Sections" and insert "Section"

Page 1, lines 6 and 7, delete "and 254A.03, by adding a subdivision"

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

Mr. Chmielewski from the Committee on Veterans' Affairs, to which was referred

S. F. No. 1633: A bill for an act relating to veterans; modifying the duties, authority and scope of operations of the department of veterans affairs; authorizing the commissioner of veterans affairs to accept uncompensated voluntary services; entitling uncompensated voluntary workers to the benefits of workers' compensation; providing for the appointment of the commissioner of veterans affairs as the guardian of an estate; revising the veterans home eligibility requirements; amending Minnesota Statutes 1978, Sections 196.05; 196.051; 197.06; 198.01; and Minnesota Statutes 1979 Supplement, Section 176.011, Subdivision 9.

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

Page 5, line 26, strike "any" and insert "a"

Page 5, line 30, strike "such" and insert "the"

Page 5, line 31, strike "all"

Page 6, line 6, after "relief" insert "fund"

Page 6, line 6, strike "all" and insert "other"

Page 6, line 6, strike "hereafter"

Page 6, line 9, strike "all"

Page 6, line 16, strike "being"

Page 6, line 17, strike "afterwards during such" and insert "after the veteran is released for as long a"

Page 6, line 17, after "necessary" insert "as determined by the commissioner"

Page 6, line 28, strike "all"

Page 6, line 32, strike "such"

Page 6, line 32, strike "all"

Page 7, line 1, strike "any" and insert "a"

Page 7, line 2, strike "these" and insert "those"

Page 7, line 10, strike "Have such"

Page 8, line 6, strike "hereunder" and insert "as provided in this section"

Page 8, line 7, strike "such" in both instances

Page 8, line 8, strike "said" and insert "the"

Page 8, line 10, strike "; provided, that" and insert a period

Page 8, line 12, strike "such" and insert "the"

Page 8, line 23, strike "otherwise" and after "provided" insert "elsewhere by law"

Page 8, line 26, strike "all"

Page 8, line 31, strike "such"

Page 8, line 32, strike "needing" and insert "who is in need of"

Page 8, line 33, strike "thereof"

Page 8, line 33, strike "then" and insert "current"

Page 9, line 1, strike ", as would" and insert "in order to"

Page 9, line 5, strike "such" and insert "the soldier"

Page 9, line 13, strike "therein" and insert "by federal law"

Page 9, line 15, strike "such"

Page 9, line 25, before "home" insert "Minnesota veterans"

Page 10, after line 32, insert:

"Sec. 7. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

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

Mr. Chmielewski from the Committee on Veterans' Affairs, to which was referred

S. F. No. 1848: A bill for an act relating to veterans; creating an outreach program for Vietnam era disabled veterans in the department of economic security's employment service; amending Minnesota Statutes 1978, Section 268.14, by adding a subdivision.

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

Mr. Chmielewski from the Committee on Veterans' Affairs, to which was referred

S. F. No. 1459: A bill for an act relating to the Minnesota housing finance agency; establishing a veterans' homeownership assistance program; providing for an increase in the authorization for agency bonds and notes; appropriating money; amending Minnesota Statutes 1978, Sections 462A.03, by adding subdivisions; 462A.05, by adding a subdivision; and 462A.22, Subdivision 1.

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

Page 1, line 16, delete "any" and insert "a"

Pages 2 and 3, delete section 4 and insert:

"Sec. 4. Minnesota Statutes, 1979 Supplement, Section 462A.22, Subdivision 1, is amended to read:

462A.22 [BOND FUND.] Subdivision 1. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of:

(a) \$225,000,000 issued for the purpose of providing funds for rehabilitation loans, or refunding bonds or notes issued for this purpose, plus

(b) ~~\$1,325,000,000~~ \$1,525,000,000 issued for other purposes specified in section 462A.08, including \$200,000,000 specifically for long term eligible mortgage loans specified in section 3."

Page 3, after line 3 insert:

"Sec. 5. [APPLICATION REVIEW; VETERANS ELIGIBILITY.] *The commissioner of veterans' affairs shall review all applications for a loan in order to determine whether a person is a "veteran" or "veteran's dependent" as defined in sections 1 and 2. The commissioner shall then forward the approved application to the Minnesota housing finance agency.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "and" insert "Minnesota Statutes, 1979 Supplement, Section"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1728: A bill for an act relating to witnesses; exempting parents and minors from testifying with respect to confidential communications made by the minor to parent; amending Minnesota Statutes 1978, Section 595.02.

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

Page 3, line 24, delete everything after the period

Page 3, delete line 25

Page 3, line 26, delete "family."

Page 3, line 27, delete "entitled to claim the privilege" and insert "to whom the communication was made"

Page 3, line 31, after "to" insert "(a)"

Page 3, line 31, after "spouse" insert "or parent"

Page 3, line 32, after the first "other" insert "spouse or parent"

Page 3, line 32, delete "nor to" and insert "(b)"

Page 4, line 2, delete "or" and insert "of"

Page 4, line 3, delete "nor to" and insert "(c)"

Page 4, line 7, after the comma, delete "or" and insert "(d) a criminal action or proceeding"

Page 4, line 7, delete "a" and insert "the"

Page 4, line 9, delete "nor to" and insert "or (e)"

Page 4, line 10, delete "a" and insert "the"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1726: A bill for an act relating to children; providing for review of foster care of certain developmentally disabled children; amending Minnesota Statutes 1978, Section 257.071, Subdivision 3, and by adding a subdivision.

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

Page 1, line 11, before "If" insert "*Subject to the provisions of subdivision 4,*"

Page 1, lines 12 and 13, delete the new language

Page 2, line 7, delete "*shall*" and insert "*may*"

Page 2, line 8, after the first "*care*" insert "*, rather than a petition as required by subdivision 3, clause (b),*"

Page 2, line 17, delete the period and insert a semicolon

Page 2, line 20, after "*necessary*" insert "*and feasible*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1645: A bill for an act relating to courts; providing for distribution of rules proposed by the supreme court; amending Minnesota Statutes 1978, Section 480.054.

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

Page 1, line 15, strike "*The Minnesota State Bar Association,*"

Page 1, line 21, strike "*thereupon*" and "*thereon*"

Page 1, line 22, after the period, insert "*The court may grant a hearing upon the petition of any other person.*"

Amend the title as follows:

Page 1, line 2, delete "*distribution of*" and insert "*hearings on*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 507: A bill for an act relating to taxation; providing for a levy apportionment for certain jurisdictions upon an assessment level differential greater than five percent; amending Minnesota Statutes 1978, Section 270.12, Subdivision 3.

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

Page 1, line 16, strike "*may*" and insert "*shall*"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1629: A bill for an act relating to state government; providing for a career part-time employment demonstration project in state government; appropriating money.

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

Page 1, line 7, delete "9" and insert "7"

Page 1, line 8, delete "part-time"

Page 1, line 9, after "service" insert "through job-sharing"

Page 1, line 10, delete "purpose" and insert "purposes"

Page 1, line 11, delete "9" and insert "7"

Page 1, line 12, after "agency" and before "or" insert ", commission, board, institution,"

Page 1, line 12, after "other" insert "entity in the executive branch in which all positions are under the same"

Page 1, line 13, delete "designated pursuant to section 3"

Page 1, line 17, delete everything after "(d)" and insert " "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 1 to 7."

Page 1, delete line 18

Page 1, line 21, delete "The coordinator shall"

Page 1, line 22, delete "designate"

Page 2, line 1, after "government" insert "shall be selected"

Page 2, line 2, delete "designated" and insert "selected"

Page 2, line 4, delete "designated" and insert "selected"

Page 2, line 4, delete the second "ten" and insert "15"

Page 2, line 6, after the period, insert "In no instance shall a person in a shared time position work less than 40 percent time. No position shall be selected if it is contained in a unit which is represented by an exclusive representative which has a collective bargaining agreement covering the unit unless the exclusive representative agrees to the selection. All shared time positions shall be equivalent in classification to the full-time position from which they are converted."

Page 2, delete line 9 except for the period

Page 2, line 12, delete "designate" and insert "select"

Page 2, line 18, delete "part-time work" and insert "job-sharing"

Page 2, line 24, delete "part-time" and insert "shared"

Page 2, line 25, delete "part-time" and insert "shared"

Page 2, line 28, delete "departments and"

Page 2, line 28, delete ". All" and insert a semicolon

Page 2, delete lines 29 and 30

Page 3, line 2, delete "part-time employment" and insert "shared positions"

Page 3, line 6, delete "9" and insert "7"

Page 3, line 7, delete "designated" and insert "selected"

Page 3, line 11, delete "July" and insert "January" in both instances

Page 3, line 12, delete "section 4,"

Page 3, line 14, delete "for" and insert "concerning"

Page 3, line 15, delete "career part-time employment" and insert "shared positions"

Page 3, line 17, delete "The" and insert "This section shall govern the compensation and benefits of employees in shared positions where inconsistent with other law."

Page 3, line 18, delete "50 positions designated" and insert:

"Subd. 2. A position selected"

Page 3, line 19, delete "equally"

Page 3, line 19, delete "100 part-time" and insert "shared"

Page 3, line 20, delete "rate of 50 percent" and insert "pro-rated share"

Page 3, line 21, after "salary" insert "for each employee"

Page 3, line 22, delete "these part-time positions" and insert "a shared position"

Page 3, line 23, delete "they are" and insert "it is"

Page 3, delete line 25 and insert:

"Subd. 3. Employees in shared positions"

Page 3, line 26, delete "pursuant to sections 1 to 9"

Page 3, line 26, after "for" insert "the following benefits and subject to the following obligations:

(1) Membership in the Minnesota state retirement system, the teachers retirement association, or the highway patrol retirement fund, whichever is appropriate, except that employees who are members of the Minnesota state retirement system or the highway patrol retirement fund shall have allowable service for purposes of Minnesota Statutes, Sections 352.01, Subdivisions 11 and 16, or 352B.01, Subdivision 3, whichever is applicable, with any salary paid for the fractional service credited on the basis of the rate of

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salary applicable for a full time week or a full time year, credited on a prorated basis;"

Page 3, line 27, delete "retirement benefits and" and insert:

"(2)"

Page 3, line 28, delete "rate of 50 percent" and insert "pro-rated share"

Page 3, line 29, delete ", the employer's retirement contribution"

Page 3, line 30, delete "to be similarly diminished. Health," and insert ";

(3) Employee"

Page 3, line 30, after "dental" insert ", medical"

Page 3, line 30, delete "life"

Page 3, line 31, delete "insurance" and insert "hospital benefits coverage"

Page 3, line 31, delete "provided to the part-time employees, at"

Page 3, line 32, delete "their option," and insert "available"

Page 3, line 33, delete "part-time"

Page 4, line 1, after "employees" insert "in shared positions"

Page 4, line 1, delete "50 percent" and insert "a pro-rated share"

Page 4, line 2, delete "50 percent" and insert "percentage"

Page 4, line 3, after the period insert "Employee life insurance coverage shall be available to employees in shared positions on the same terms as for comparable full-time employees;

(4)"

Page 4, line 3, after "insurance" insert "coverage"

Page 4, line 4, delete "provided" and insert "available"

Page 4, line 4, delete "the part-time"

Page 4, line 4, delete ", at their option," and insert "in shared positions"

Page 4, line 5, delete "and with the same coverage"

Page 4, line 6, delete "health" and insert "medical, hospital,"

Page 4, line 6, after "dental" insert "benefits"

Page 4, line 7, delete "the part-time"

Page 4, line 7, delete ", at their"

Page 4, line 8, delete "option," and insert "in shared positions"

Page 4, line 10, delete "up to \$30 per month, not to exceed the"

Page 4, delete line 11

Page 4, line 12, delete "greater, of the dependent coverage" and insert "a pro-rated share of the dollar amount contributed for comparable full-time employees electing the same program"

Page 4, line 13, delete ". Part-time" and insert "; (5)"

Page 4, line 14, delete "appointed or designated under sections 1 to 9" and insert "in shared positions"

Page 4, line 15, delete "half" and insert "a pro-rated share of"

Page 4, line 17, delete "whenever the part-time" and insert a semicolon

Page 4, delete lines 18 to 23 and insert:

"(6) Employees in shared positions shall accrue seniority time in every relevant category at the same rate accorded to comparable full-time employees. No full-time employee accepting a shared position shall suffer any loss of or gap in seniority time in the relevant categories applicable to the full-time employment; and

(7) Any other"

Page 4, line 24, after "employment" insert "for employees in shared positions"

Page 4, line 24, delete "at a rate of 50"

Page 4, line 25, delete "percent of those available" and after "to" insert "those of"

Page 4, line 29, after the first "the" insert "full-time"

Page 4, line 30, after "employee" insert "in a shared position"

Page 5, line 1, delete "half-time assignment" and insert "shared position"

Page 5, line 2, delete "9" and insert "7"

Page 5, line 4, after "law" insert "or rule"

Page 5, line 7, after "the" insert "commissioner of personnel to be allocated to"

Page 5, line 8, delete "7" and insert "9"

Page 5, delete line 9 and insert:

"Fiscal year 1981 \$. . . . . Fiscal year 1982 \$. . . . ."

Page 5, line 12, delete "7" and insert "9"

Page 5, delete line 13 and insert:

"Fiscal year 1981 \$15,000 Fiscal year 1982 \$15,000"

Page 5, delete lines 16 to 18

Page 5, line 20, delete "July 1" and insert "June 30"

Amend the title as follows:

Page 1, line 3, delete "career part-time employment"

Page 1, line 3, after "demonstration" insert "job-sharing"

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

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1848 and 1645 were read the second time.

S. F. Nos. 1759, 1709, 1728, 1726 and 507 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Pillsbury moved that the name of Mr. Merriam be added as co-author to S. F. No. 507. The motion prevailed.

Mr. Setzepfandt moved that the name of Mr. Stern be added as co-author to S. F. No. 1289. The motion prevailed.

Mr. Knoll moved that the name of Mr. Merriam be added as co-author to S. F. No. 1930. The motion prevailed.

Mr. Knoll moved that the name of Mr. Johnson be added as co-author to S. F. No. 1938. The motion prevailed.

Mr. Ueland, A. moved that the names of Mrs. Knaak and Mr. Chmielewski be added as co-authors to S. F. No. 1978. The motion prevailed.

Mr. Chmielewski moved that S. F. No. 1866 be returned to its author. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Moe, Dunn, Willet and Peterson be added as co-authors to S. F. No. 1083. The motion prevailed.

#### CONSENT CALENDAR

S. F. No. 1755: A bill for an act relating to towns; permitting compensation and providing for mileage of deputy clerks; amending Minnesota Statutes 1978, Section 367.05, Subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Penny	Sillers
Bang	Gunderson	Lessard	Perpich	Solon
Barrette	Hanson	Luther	Peterson	Spear
Bernhagen	Hughes	McCutcheon	Pillabury	Staples
Brataas	Humphrey	Menning	Purfeerst	Stern
Chmielewski	Jensen	Merriam	Renneke	Stokowaki
Coleman	Johnson	Moe	Rued	Strand
Davies	Keefe, J.	Nelson	SchAAF	Stumpf
Dieterich	Keefe, S.	Nichols	Schmitz	Ulland, A.
Dunn	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Engler	Knaak	Olhoft	Sieloff	Wegener
Frederick	Knutson	Olson	Sikorski	Willet

So the bill passed and its title was agreed to.

#### GENERAL ORDERS

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

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

S. F. No. 1646, which the committee recommends to pass.

S. F. No. 64, which the committee reports progress, subject to the following motion:

Mr. Luther moved to amend S. F. No. 64 as follows:

Page 2, line 10, before "of" insert "*and committee records*"

The motion prevailed. So the amendment was adopted.

S. F. No. 64 was then progressed.

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, February 21, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SIXTY-NINTH DAY**

**St. Paul, Minnesota, Tuesday, February 19, 1980**

**The House of Representatives met on Tuesday, February 19, 1980, which was the Sixty-Ninth Legislative Day of the Seventy-First Session of the Minnesota State Legislature. The Senate did not meet on this date.**

## SEVENTIETH DAY

St. Paul, Minnesota, Thursday, February 21, 1980

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

### CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Frederick	Menning	Rued	Tennessen
Barrette	Gearty	Merriam	Schaaf	Ueland, A.
Benedict	Hughes	Moe	Schmitz	Ulland, J.
Bernhagen	Jensen	Nelson	Setzepfandt	Wegener
Chmielewski	Johnson	Penny	Sikorski	Willet
Coleman	Kirchner	Perpich	Sillers	
Davies	Kleinbaum	Peterson	Staples	
Dunn	Laufenburger	Pillsbury	Stokowski	
Engler	Luther	Purfeerst	Stumpf	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Howard A. Skulstad.

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

Anderson	Frederick	Knutson	Penny	Spear
Ashbach	Gearty	Laufenburger	Perpich	Staples
Bang	Gunderson	Lessard	Peterson	Stern
Barrette	Hughes	Luther	Pillsbury	Stokowski
Benedict	Humphrey	McCutcheon	Purfeerst	Strand
Bernhagen	Jensen	Menning	Renneke	Stumpf
Brataas	Johnson	Merriam	Rued	Tennessen
Chmielewski	Keefe, J.	Moe	Schaaf	Ueland, A.
Coleman	Keefe, S.	Nelson	Schmitz	Ulland, J.
Davies	Kirchner	Nichols	Setzepfandt	Wegener
Dieterich	Kleinbaum	Ogdahl	Sikorski	Willet
Dunn	Knaak	Olhoff	Sillers	
Engler	Knoll	Olson	Solon	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Hanson, Sieloff and Vega were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Peterson, Stern, Mrs. Staples and Mr. Stumpf introduced—

S. F. No. 2035: A bill for an act relating to taxation; authorizing the revenue department to set off tax refunds due a debtor against debts owed to the state or to county welfare boards; providing for notice and hearing procedures; establishing priorities for claims; providing for an exemption to data privacy requirements and imposing a penalty for misuse of data; authorizing the promulgation of rules; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Messrs. McCutcheon, Stumpf, Sikorski and Schaaf introduced—

S. F. No. 2036: A bill for an act relating to courts; providing that courts may acquire electronic data processing services through supreme court contracts; amending Minnesota Statutes 1978, Chapter 480, by adding a section.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S. F. No. 2037: A bill for an act relating to motor vehicles; eliminating restrictions on the issuance of personalized license plates bearing words or letters used for commercial advertising; amending Minnesota Statutes 1978, Section 168.12, Subdivision 2a.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Merriam introduced—

S. F. No. 2038: A bill for an act relating to taxation; changing settlement dates for property taxes; amending Minnesota Statutes 1978, Sections 276.09; 276.10; and 276.11.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Tennesen, Davies and Merriam introduced—

S. F. No. 2039: A bill for an act relating to privacy; providing for classification of certain welfare data; amending Minnesota Statutes, 1979 Supplement, Section 15.1691, Subdivision 3.

Referred to the Committee on Judiciary.

Mr. Sillers introduced—

S. F. No. 2040: A bill for an act relating to the city of Campbell; authorizing issuance of general obligation bonds to finance construction of a community hall.

Referred to the Committee on Local Government.

Messrs. Merriam, Rued, Lessard, Wegener and Hanson introduced—

S. F. No. 2041: A bill for an act relating to education; the maximum effort school aid law; changing the definition of "maximum effort debt service levy"; authorizing the sale of bonds for the maximum effort school loan fund; appropriating money; amending Minnesota Statutes 1978, Sections 124.38, Subdivision 7; 124.43, Subdivisions 1 and 2.

Referred to the Committee on Education.

Mr. Laufenburger introduced—

S. F. No. 2042: A bill for an act relating to the port authority of Winona; providing powers and conditions of debt; amending Laws 1967, Chapter 541, Section 1, as amended.

Referred to the Committee on Local Government.

Messrs. Nelson and McCutcheon introduced—

S. F. No. 2043: A bill for an act relating to public safety; authorizing the appointment of two assistant chief supervisors in the division of highway patrol; amending Minnesota Statutes 1978, Sections 299D.01, Subdivisions 2 and 3; 299D.03, Subdivision 1; and Minnesota Statutes, 1979 Supplement, Section 299D.03, Subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Strand, Lessard and Setzepfandt introduced—

S. F. No. 2044: A bill for an act relating to eminent domain; limiting the authority to acquire certain property by condemnation; repealing certain obsolete provisions of law authorizing acquisition by condemnation; amending Minnesota Statutes 1978, Sections 84.033; 84.154, Subdivision 3; 84A.10; 84A.39; 84A.55, Subdivision 13; 85.015, Subdivisions 12 and 13; 88.09, Subdivision 2; 89.032, Subdivision 1; 105.39, Subdivision 4; and 463.03; repealing Minnesota Statutes 1978, Sections 38.05; 117.31; 123.40, Subdivision 6; 161.29; 222.42; 308.39; and 643.06.

Referred to the Committee on Judiciary.

Mr. Frederick introduced—

S. F. No. 2045: A bill for an act relating to state lands; providing for the conveyance of certain lands to the city of Owatonna.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Sikorski and Setzepfandt introduced—

S. F. No. 2046: A bill for an act relating to commerce; providing for the qualification of free distribution newspapers as legal newspapers; amending Minnesota Statutes 1978, Section 331.02, Subdivisions 1 and 8.

Referred to the Committee on Judiciary.

Messrs. Dieterich; Keefe, S.; Olhoft; Bang and Sieloff introduced—

S. F. No. 2047: A bill for an act relating to taxation; real property; clarifying the treatment of cooperatives and charitable corporations; amending Minnesota Statutes 1978, Section 273.133, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pillsbury, Knutson, Ashbach and Anderson introduced—

S. F. No. 2048: A bill for an act relating to metropolitan government; changing the method for election of metropolitan council members; amending Minnesota Statutes 1978, Sections 473.121, by adding a subdivision; 473.123; and 473.141, Subdivisions 3 and 5.

Referred to the Committee on Governmental Operations.

Mr. Keefe, J.; Mrs. Staples; Messrs. Perpich and Knutson introduced—

S. F. No. 2049: A bill for an act relating to public health; providing for the establishment of programs for oral and dental health for nursing home residents; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Rued, Bernhagen, Frederick, Lessard and Humphrey introduced—

S. F. No. 2050: A bill for an act relating to taxation; establishing an income tax credit for certain taxpayers using wood to heat their residences; extending the residential energy credit to wood burning stoves and furnaces; amending Minnesota Statutes 1978,

Section 290.06, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 14.

Referred to the Committee on Energy and Housing.

Messrs. Hughes, Humphrey, Merriam, Stumpf and Rued introduced—

S. F. No. 2051: A bill for an act relating to education; establishing an experimental chemical dependency resource specialist program; imposing duties on the state board of education, the department of education, and school districts; appropriating money.

Referred to the Committee on Education.

Mr. Johnson introduced—

S. F. No. 2052: A bill for an act relating to elections; eliminating broadcast exception from prohibition of defamatory statements about candidates; amending Minnesota Statutes 1978, Section 210A.04, Subdivisions 1 and 2.

Referred to the Committee on Elections.

Mr. Johnson introduced—

S. F. No. 2053: A bill for an act relating to elections; requiring certain employers to attempt to let employees make up time taken off for certain public meetings; amending Minnesota Statutes 1978, Section 210A.09, Subdivision 2.

Referred to the Committee on Elections.

Messrs. Stern, Sieloff, Sikorski and Moe introduced—

S. F. No. 2054: A bill for an act relating to the environment; providing that the legislature be the sole approval authority for critical areas; designating the state planning agency as the approval authority for plans and regulations related to critical areas; permanently designating the Mississippi River Corridor Critical Area; amending Minnesota Statutes 1978, Sections 116G.06, Subdivision 2; 116G.07; 116G.08; 116G.09; 116G.10; 116G.12, Subdivision 4; and 116G.14; and Chapter 116G, by adding a section.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Laufenburger, Bang, Ashbach, Davies and Spear introduced—

S. F. No. 2055: A bill for an act relating to commerce; regulating water conditioning installers and contractors; providing a state

bonding and insurance procedure; amending Minnesota Statutes 1978, Chapter 326, by adding a section.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Davies introduced—

S. F. No. 2056: A bill for an act relating to snowmobiles; providing compensation for the victims of snowmobile accidents; requiring owners of snowmobiles to provide security for payment of basic economic loss benefits; prescribing minimum benefits payable without regard to fault; requiring deduction of no-fault benefits from tort recoveries for snowmobile injuries; authorizing certain deductibles, exclusions and conditions; providing for arbitration of disputes; authorizing certain subrogation rights; establishing an assigned claims plan; requiring certain insurers to offer no-fault snowmobile insurance; prescribing penalties for failure to provide security; prescribing certain duties of the commissioners of insurance, natural resources and public safety; amending Minnesota Statutes 1978, Section 84.82, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Davies and Tennessen introduced—

S. F. No. 2057: A bill for an act relating to health care; prohibiting health care providers from providing professional services unless there is in effect an insurance policy covering claims which may arise from the provision of the services.

Referred to the Committee on Commerce.

Mr. Davies introduced—

S. F. No. 2058: A bill for an act relating to public safety; prohibiting the sale of general admission tickets to certain public events.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Perpich introduced—

S. F. No. 2059: A bill for an act relating to the city of Hibbing; authorizing development and administration of a housing program within the city, including that part of the city which formerly comprised the town of Stuntz.

Referred to the Committee on Energy and Housing.

Messrs. Keefe, S.; Coleman and Sillers introduced—

S. F. No. 2060: A bill for an act relating to state government;

creating a state council on Black Minnesotans; appropriating money.

Referred to the Committee on Governmental Operations.

Messrs. Solon, Gunderson, Wegener, Renneke and Kleinbaum introduced—

S. F. No. 2061: A bill for an act relating to health; requiring health maintenance organizations to provide chiropractic care; amending Minnesota Statutes 1978, Section 62D.02, Subdivision 7.

Referred to the Committee on Commerce.

Mr. Laufenburger, Mrs. Brataas, Messrs. Kleinbaum, Bang and Solon introduced—

S. F. No. 2062: A bill for an act relating to financial institutions; establishing a maximum lawful rate of interest chargeable on loans made by credit unions; amending Minnesota Statutes 1978, Section 52.14.

Referred to the Committee on Commerce.

Mr. Lessard introduced—

S. F. No. 2063: A bill for an act relating to unemployment compensation; limiting disqualification from benefits of certain persons involved in labor disputes; amending Minnesota Statutes, 1979 Supplement, Section 268.09, Subdivision 3.

Referred to the Committee on Employment.

Messrs. Penny, Laufenburger, Jensen and Luther introduced—

S. F. No. 2064: A bill for an act relating to cooperatives; prohibiting stockholder signature lines on the face of ballots received by mail; amending Minnesota Statutes 1978, Section 308.07, Subdivision 10.

Referred to the Committee on Judiciary.

Messrs. Johnson and Solon introduced—

S. F. No. 2065: A bill for an act relating to energy; appropriating money for a wood fuel conversion consortium between Independent School Districts Nos. 692, 696, 708 and Vermillion Community College.

Referred to the Committee on Energy and Housing.

Messrs. Peterson, Schmitz, Schaaf, Ashbach and Moe introduced—

S. F. No. 2066: A bill for an act relating to retirement; contribu-

tions and benefits of judges and survivors under the uniform retirement and survivors' annuities law; amending Minnesota Statutes 1978, Sections 490.123, Subdivision 1; and 490.124, Subdivisions 1, 9 and 12.

Referred to the Committee on Governmental Operations.

Messrs. Penny, Wegener, Ashbach, Moe and Solon introduced—

S. F. No. 2067: A bill for an act relating to motor vehicles; increasing the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act; amending Minnesota Statutes 1978, Section 168.72.

Referred to the Committee on Commerce.

Messrs. Pillsbury and Ueland, A. introduced—

S. F. No. 2068: A bill for an act relating to elections; requiring date of birth on voter registration cards; requiring election judges to initial voter registration cards submitted on election day; amending Minnesota Statutes 1978, Sections 201.061, by adding a subdivision; and 201.071, Subdivisions 1 and 3.

Referred to the Committee on Elections.

Mrs. Staples introduced—

S. F. No. 2069: A bill for an act relating to public welfare; authorizing the department of vocational rehabilitation to provide funds for power assisted wheelchairs to handicapped persons under certain circumstances; appropriating money; amending Minnesota Statutes 1978, Chapter 129A, by adding a section.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Davies introduced—

S. F. No. 2070: A bill for an act relating to taxation; real property; limiting the wetlands exemption and credit to certain taxpayers; amending Minnesota Statutes, 1979 Supplement, Section 272.02, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Solon introduced—

S. F. No. 2071: A bill for an act relating to financial institutions; providing that certain agreements taken by a bank and subject to a certain percentage limitation will not constitute a liability against it; providing for a different percentage limitation in certain cases; amending Minnesota Statutes 1978, Section 48.24, Subdivision 3.

Referred to the Committee on Commerce.

Mr. Davies introduced—

S. F. No. 2072: A bill for an act relating to children; providing for commencement of certain paternity actions by alleged father; amending Minnesota Statutes 1978, Section 257.252.

Referred to the Committee on Judiciary.

Messrs. Barrette, Frederick, Rued and Engler introduced—

S. F. No. 2073: A bill for an act relating to taxation; increasing the percentage for indexing the taxable net income brackets; amending Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 2d.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Stokowski; Messrs. Keefe, S, and Gearty introduced—

S. F. No. 2074: A bill for an act relating to industrial development; permitting hearings by a committee of the governing body; providing for published notice; amending Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7b.

Referred to the Committee on Local Government.

Mr. Solon introduced—

S. F. No. 2075: A bill for an act relating to public employees; specifying deputy sheriffs as essential employees; amending Minnesota Statutes, 1979 Supplement, Section 179.63, Subdivision 11.

Referred to the Committee on Governmental Operations.

Messrs. Wegener, Renneke, Strand, Setzepfandt and Olson introduced—

S. F. No. 2076: A bill for an act relating to water; altering the membership of the soil and water conservation board; designating the board as the water resources coordinating body; assigning responsibilities; assigning staff; appropriating money; amending Minnesota Statutes 1978, Section 40.03, Subdivision 1, and Chapter 40, by adding a section.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Penny introduced—

S. F. No. 2077: A bill for an act relating to interest; regulating rates of interest on loans for business and agricultural transactions; removing certain deficiencies and ambiguities; amending Minnesota Statutes, 1979 Supplement, Section 334.011, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Sikorski, Johnson, Coleman, Ashbach and Benedict introduced—

S. F. No. 2078: A bill for an act relating to public utilities; requiring the public service commission to promulgate rules for energy conservation expenditures; restricting issuance of certificates of need for large energy facilities; amending Minnesota Statutes 1978, Chapters 116H, by adding a section; and 216B, by adding a section.

Referred to the Committee on Commerce.

Messrs. Sikorski, Solon, Kleinbaum, Ashbach and Bang introduced—

S. F. No. 2079: A bill for an act relating to public utilities; deregulating certain business activities of public utilities; amending Minnesota Statutes 1978, Chapter 216B, by adding a section.

Referred to the Committee on Commerce.

Mr. Schaaf introduced—

S. F. No. 2080: A bill for an act relating to transportation; providing grants for paratransit projects; amending Minnesota Statutes, 1979 Supplement, Section 174.25, Subdivision 1.

Referred to the Committee on Transportation.

Mr. Schaaf introduced—

S. F. No. 2081: A bill for an act relating to energy; promoting energy conservation by prohibiting smoking in public places; providing a penalty.

Referred to the Committee on Energy and Housing.

Mr. Schaaf introduced—

S. F. No. 2082: A bill for an act appropriating money to the department of transportation for certain transit purposes.

Referred to the Committee on Transportation.

Mr. Johnson introduced—

S. F. No. 2083: A bill for an act relating to intoxicating liquor; authorizing the issuance of Sunday sales licenses by county boards in unorganized territory without voter approval; amending Minnesota Statutes 1978, Section 340.14, Subdivision 5.

Referred to the Committee on Commerce.

Mr. Pillsbury introduced—

S. F. No. 2084: A bill for an act relating to meeting of public authorities; requiring notice of certain meetings; clarifying a penalty provision; amending Minnesota Statutes 1978, Section 471.705.

Referred to the Committee on Governmental Operations.

Messrs. Coleman, Schaaf, Nelson, Ashbach and Ogdahl introduced—

S. F. No. 2085: A bill for an act relating to public employees; creating a state department of employee relations; establishing appropriate units for state and university employees; providing for a right to strike; providing for interim contract approval by the legislative commission on employee relations; clarifying civil service laws; providing for health benefits; providing for a study of promotional systems; appropriating money; amending Minnesota Statutes 1978, Sections 43.001; 43.01, Subdivision 8; 43.111; 43.245; 43.321; 43.45; 43.46; 179.63, Subdivision 7; 179.6, Subdivisions 2, 3, 4, and 5, and by adding a subdivision; 179.67, Subdivision 4; 179.69, Subdivisions 1 and 3; 179.71, Subdivisions 3 and 5; 179.72, Subdivision 6; 179.74, Subdivisions 1, 2, and 3, and by adding a subdivision; and Chapters 43 and 179, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 3.855; 43.067, Subdivision 1; 43.19, Subdivision 1; 43.50, Subdivision 1; 43.51; 62D.22, Subdivision 7; 179.63, Subdivision 11; 179.65, Subdivision 6; and 179.74, Subdivisions 4 and 5; and Laws 1979, Chapter 332, Article I, Section 114; repealing Minnesota Statutes 1978, Sections 43.003; 43.50, Subdivision 3; 179.64, Subdivision 1; and 179.69, Subdivisions 4, 5, and 6; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 5; and 179.64, Subdivision 7.

Referred to the Committee on Governmental Operations.

Messrs. Menning, Perpich, Hughes, Kirchner and Gunderson introduced—

S. F. No. 2086: A bill for an act relating to public welfare; establishing a grant program for brain injured young persons for participation in a program of neurological stimulation; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Mrs. Knaak; Messrs. Ulland, J.; Sikorski; Kleinbaum and Frederick introduced—

S. F. No. 2087: A bill for an act relating to towns; removing a property tax levy limit on certain towns; repealing Minnesota Statutes 1978, Sections 275.31; 275.32; 275.33; 275.34 and 275.35.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Purfeerst, Humphrey and Kleinbaum introduced—

S. F. No. 2088: A bill for an act relating to transportation; providing for statewide park and ride facilities; amending Minnesota Statutes 1978, Chapter 174, by adding sections; appropriating money.

Referred to the Committee on Transportation.

Messrs. Knutson and Strand introduced—

S. F. No. 2089: A bill for an act relating to retirement; providing an exception to the 40 year maximum in computation of public pensions; amending Minnesota Statutes 1978, Section 356.60, Subdivision 3.

Referred to the Committee on Governmental Operations.

Messrs. Willet, Laufenburger and Purfeerst introduced—

S. F. No. 2090: A bill for an act relating to transportation; allowing the use of certain documents as relevant evidence of exceeding vehicle weight limits; requiring record keeping for shipments unloaded; imposing civil penalties; amending Minnesota Statutes 1978, Chapter 169, by adding sections.

Referred to the Committee on Transportation.

Messrs. Schaaf, McCutcheon, Sikorski and Knutson introduced—

S. F. No. 2091: A bill for an act relating to metropolitan government; providing for election of the members of the metropolitan council; amending Minnesota Statutes 1978, Sections 10A.20, Subdivisions 3 and 5; 10A.22, Subdivision 5; and 473.123, Subdivisions 3 and 5, and by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Section 10A.01, Subdivision 5; repealing Minnesota Statutes 1978, Section 473.123, Subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Gunderson introduced—

S. F. No. 2092: A bill for an act relating to state parks; clarifying the law governing state acquisitions and landowners' rights; hunting and fishing within boundaries; amending Minnesota Statutes 1978, Sections 85.0115; and 99.25, Subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Sikorski; Keefe, J.; Coleman; Schaaf and McCutcheon introduced—

S. F. No. 2093: A bill for an act relating to juveniles; modifying dispositions available to juvenile court judges; increasing

civil liability of parents for intentional acts of their children; changing the definitions of "delinquent" and "dependent" children; modifying statutory provisions relating to records of convictions and adjudications of delinquency; making the rules of evidence applicable in juvenile proceedings; providing for open hearings for juveniles in certain cases; providing for the promulgation of statewide juvenile court rules; providing for a juvenile dispositional guidelines commission and the promulgation and application of guidelines; modifying the jurisdiction of the juvenile courts; modifying the provisions for reference of juveniles for adult prosecution; expanding the coverage of the provisions requiring preparation of a case plan for children placed in foster care; repealing the statute prohibiting underage smoking; appropriating money; amending Minnesota Statutes 1978, Sections 257.071, Subdivision 1; 260.011, Subdivision 2; 260.015, Subdivisions 5 and 6; 260.111, Subdivision 1; 260.115, Subdivision 1; 260.121, Subdivisions 1 and 3; 260.125; 260.155, Subdivision 1; 260.173, Subdivisions 2 and 3; 260.181, Subdivision 4; 260.185, Subdivisions 1 and 2, and by adding subdivisions; 260.191, Subdivision 1; 260.193; 260.211, Subdivision 1; 540.18, Subdivision 1; and Chapter 244, by adding a section; Chapter 260, by adding a section; and Chapter 480, by adding a section; repealing Minnesota Statutes 1978, Section 609.685.

Referred to the Committee on Judiciary.

Messrs. Peterson and Lessard introduced—

S. F. No. 2094: A bill for an act relating to game and fish; requiring licenses of persons providing guide services for bear hunters; specifying fees; amending Minnesota Statutes 1978, Section 98.46, Subdivisions 4 and 16.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Staples; Messrs. Humphrey; Keefe, J.; Keefe, S. and Pillsbury introduced—

S. F. No. 2095: A bill for an act relating to Hennepin County; providing for a county personnel system; providing various conditions of public employment; amending Laws 1965, Chapter 855, Sections 1, 2, 3, 4, as amended, 5, 6, as amended, 7, as amended, 8, 9, 10, 11, 12, 13, 14, 15, as amended, and 16; and Laws 1979, Chapter 198, Article I, Section 2; repealing Laws 1945, Chapter 607, as amended; Laws 1965, Chapter 855, Section 17; Laws 1967, Chapter 646, Sections 4, 5, 6, and 7, and Chapter 779; and Laws 1979, Chapter 198, Article III, Section 5.

Referred to the Committee on Local Government.

Messrs. Schaaf, Coleman, Johnson, Hanson and Gearty introduced—

S. F. No. 2096: A bill for an act proposing an amendment to

the Minnesota Constitution, Article VIII, by adding a section; providing for recall of elected state executive and judicial officers and state senators by the voters.

Referred to the Committee on Elections.

Messrs. Purfeerst, Laufenburger, Willet, Peterson and Perpich introduced—

S. F. No. 2097: A bill for an act creating an interim study commission on transportation financing; prescribing its powers and duties; appropriating money.

Referred to the Committee on Transportation.

Messrs. Barrette; Knutson; Ulland, J.; Strand and Sikorski introduced—

S. F. No. 2098: A bill for an act relating to crimes; delaying implementation of sentencing guidelines; amending Minnesota Statutes 1978, Sections 244.04, Subdivision 2; 244.08, Subdivision 1; 244.09, Subdivision 12, and by adding a subdivision; and Laws 1978, Chapter 723, Article I, Section 20, Subdivision 2.

Referred to the Committee on Judiciary.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

February 12, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the State Ethical Practices Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Elizabeth Ebbott, 409 Birchwood Avenue, White Bear Lake, Washington County, has been appointed by me, effective February 12, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Elections.)

Sincerely,  
Albert H. Quie, Governor

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House of Representatives invites the Senate to meet in Joint Convention at 3:00 p.m. on

Thursday, February 21, 1980, for the purpose of hearing an address by the Honorable Charles W. Duncan, Jr., United States Secretary of Energy.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 18, 1980

Mr. President:

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

S. F. No. 410: A bill for an act relating to courts; board on judicial standards; providing for appointment of an executive secretary by the board; providing for appointment of board members by certain organizations; amending Minnesota Statutes 1978, Section 490.15, Subdivision 1.

Senate File No. 410 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 18, 1980

Mr. Davies moved that the Senate do not concur in the amendments by the House to S. F. No. 410 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 268.37; 290.01, Subdivision 20; and 290.06, Subdivision 14.

Senate File No. 1670 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 18, 1980

Mr. Humphrey moved that the Senate do not concur in the amendments by the House to S. F. No. 1670 and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H. F. No. 1307.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted February 18, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H. F. No. 1272.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted February 19, 1980

#### FIRST READING OF HOUSE BILLS

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

H. F. No. 1307: A bill for an act relating to cable communications; regulating the franchising and operating of cable communications systems; amending Minnesota Statutes 1978, Sections 238.02, Subdivisions 3, 6 and 8; 238.05, Subdivision 17; 238.09, Subdivisions 6 and 7; 238.11, Subdivision 2; and 238.12, Subdivisions 1 and 2.

Referred to the Committee on Commerce.

H. F. No. 1272: A bill for an act relating to aeronautics; excluding parachutes and parachuting from the jurisdiction of the department of transportation; amending Minnesota Statutes 1978, Section 360.013, Subdivisions 2, 3 and 11.

Referred to the Committee on Transportation.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1789: A bill for an act relating to taxation; estate tax;

making technical adjustments and clarifying certain provisions; amending Minnesota Statutes 1978, Sections 290.077, Subdivision 4; 291.07, Subdivision 3; 291.111, Subdivision 2; 291.15; 291.18; 291.32, Subdivision 1; 291.33, by adding a subdivision; 501.211, Subdivision 3, and by adding a subdivision; 524.3-505; 524.3-1003; 525.532, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; 290.14; 291.005, Subdivision 1; 291.01; 291.015; 291.03; 291.05; 291.051; 291.06; 291.07, Subdivision 1; 291.075; 291.09, Subdivisions 1a and 4a; 291.132; 291.215, Subdivision 1; 291.33, Subdivision 1; 524.3-105; and 524.3-1001; repealing Minnesota Statutes 1978, Sections 291.17; 291.20, Subdivision 4; and Minnesota Statutes, 1979 Supplement, Sections 291.111, Subdivision 1; and 291.19.

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

Page 27, line 22, after "tax" insert "*due and payable to the United States Treasury*"

Page 28, line 15, delete "*liability*" and insert "*due and payable to the United States Treasury*"

Page 29, line 12, delete "ALTERNATE" and insert "SPECIAL USE"

Page 29, line 21, after the comma, insert "*any increase in the credit for state death taxes shall be reported to the commissioner within 90 days after final determination of the increased credit. Upon notification the commissioner may assess an additional tax in accordance with section 291.03, subdivision 1, clause (2),*"

Page 29, line 22, after "tax" insert "*computed in accordance with section 291.03, subdivision 1, clause (1)*"

Page 31, after line 23, insert:

"Sec. 17. Minnesota Statutes, 1979 Supplement, Section 291.11, Subdivision 1, is amended to read:

291.11 [TIME EFFECTIVE.] Subdivision 1. [UPON DEATH; TIME OF ASSESSMENT.] (a) All taxes imposed by this chapter shall take effect at and upon the death of the person whose estate is subject to taxation and shall be due and payable at the expiration of nine months from such death, except as otherwise provided in this chapter. Provided, that any taxpayer who owes at least \$5,000 in taxes may choose to pay these taxes in five equal installments over a period of time not to exceed five years from the death of the person whose estate is subject to taxation or five years from the expiration of the extension granted by the commissioner pursuant to section 291.132, whichever is later. When a taxpayer elects to pay the tax in installments, he shall notify the commissioner in writing no later than nine months after the death of the person whose estate is subject to taxation. If the taxpayer fails to pay an installment on time, *unless it is shown that such failure is due to reasonable cause*, the election shall be revoked and the entire amount of unpaid tax *plus accrued interest* shall be

due and payable 90 days after the date on which the installment was payable.

(b) (A) False return—in the case of a false or fraudulent return with the intent to evade tax, any additional tax resulting therefrom may be assessed at any time.

(B) No return—in the case of failure to file a return, the tax may be assessed at any time.

(C) Omissions—in the case where there is omitted from the estate items subject to tax under this chapter the tax on such omitted items may be assessed at any time.

In determining the items omitted, there shall not be taken into account any item which has been disclosed in the return or in a statement attached to the return in a manner adequate to apprise the commissioner of the nature and amount of such item.

(c) Where, before the expiration of the time prescribed in this chapter for the determination or adjustment of the tax, the commissioner and the taxpayer shall consent in writing to the extension of time for such determination or adjustment the tax may be determined at any time prior to the expiration agreed upon and in the manner agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon."

Page 33, line 24, after the comma, insert "*unless it is shown that such failure is due to reasonable cause,*"

Page 34, after line 7, insert:

"Sec. 19. Minnesota Statutes, 1979 Supplement, Section 291.14, is amended to read:

291.14 [PERSONAL LIABILITY OF PERSONAL REPRESENTATIVE AND TRANSFEREE.] The personal representative and person to whom property which is subject to taxation under this chapter is transferred, *other than a bona fide purchaser, mortgagee, or lessee*, shall be personally liable for such tax until its payment, to the extent of the value of the property. *The exemption from personal liability will extend to all subsequent transferees from bona fide purchasers, mortgagees, and lessees.*"

Page 35, line 28, delete "*shall*" and insert "*may*"

Page 43, after line 9, insert:

"Sec. 33. "*Any lien created under Minnesota Statutes 1978, Section 291.14 or 292.09 shall expire and be unenforceable on December 31, 1983.*"

Page 43, line 11, after "*291.17;*" insert "*291.19, Subdivisions 1, 2 and 4;*"

Page 43, line 13, after "*291.19,*" insert "*Subdivision 3.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after "4a;" insert "291.11, Subdivision 1;" and after "291.132;" insert "291.14;"

Page 1, line 18, after "291.17;" insert "291.19, Subdivisions 1, 2 and 4;"

Page 1, line 20, after "291.19" insert ", Subdivision 3"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws. to which was referred

S. F. No. 1807: A bill for an act relating to taxation; income; property tax refund; deleting obsolete and unnecessary provisions and references; amending Minnesota Statutes 1978, Sections 290.03; 290.07, Subdivision 4; 290.071, Subdivision 1; 290.073; 290.077, Subdivision 4; 290.08, Subdivisions 3, 8 and 13; 290.09, Subdivisions 5, 13 and 25; 290.095, Subdivisions 3 and 8; 290.131, Subdivision 1; 290.18, Subdivision 1; 290.28, Subdivision 3; 290.311, Subdivisions 1 and 2; 290.32; 290.361, Subdivision 2; 290.38; 290.40; 290.49, Subdivision 1; 290.62; 290.65, Subdivisions 2, 7, 9, 13 and 16; 290.92, Subdivisions 2a, 5, 13 and 15; 290.93, Subdivisions 5 and 9; 290.931, Subdivision 1; 290.932, Subdivision 1; 290.936; 290.97; 290.972, Subdivisions 2 and 3; 290A.07, Subdivision 1; Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; and 290A.03, Subdivisions 3 and 13; repealing Minnesota Statutes 1978, Sections 290.06, Subdivisions 2b, 3a and 3b; 290.08, Subdivisions 4 and 5; 290.086; 290.087; 290.09, Subdivisions 11 and 20; 290.095, Subdivision 6; 290.31, Subdivision 28; 290.34, Subdivision 4; 290.361, Subdivision 4; 290.363; 290.45, Subdivision 2a; 290.49, Subdivision 9; 290.53, Subdivision 6; 290.65, Subdivisions 8, 14 and 15; 290.66; 290.68; 290.69; 290.93, Subdivision 12; 290.932, Subdivision 5; 290.95; 290.96; and 290.972, Subdivision 7.

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

Page 2, strike lines 13 to 21

Page 2, line 22, strike "31, 1970,"

Page 2, strike lines 29 to 33

Page 3, strike lines 1 to 5

Page 3, line 6, strike "(iv)" and insert "(i)"

Page 3, line 9, strike "(v)" and insert "(ii)"

Page 17, line 26, strike "(a) Proceeds of "

Page 17, strike lines 27 to 33

Strike pages 18, 19, and 20

Page 21, strike lines 1 to 28

Page 21, lines 27 and 28, delete the new language

Page 21, line 31, delete "101(e)" and insert "*The exclusion of certain death benefits shall be determined in accordance with the provisions of section 101*"

Page 34, line 23, after the stricken language insert "*of alimony,*"

Page 34, line 24, after "applies" insert a comma

Page 44, line 8, delete "ON OR AFTER DECEMBER 31, 1949" and insert "WHILE IN MILITARY SERVICE"

Page 44, line 9, strike "on or after December"

Page 44, line 10, strike "31, 1949,"

Page 63, line 8, after "*sections*" insert "*and the amendments made in section 1 of this act*"

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

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

S. F. No. 1734: A bill for an act relating to agriculture; renaming the livestock sanitary board; repealing obsolete language; regulating treatment of diseased animals; eliminating certain local boards; providing a penalty; amending Minnesota Statutes 1978, Sections 17A.04, Subdivision 6; 29.051; 29.061; 29.081; 35.01, Subdivisions 1 and 2; 35.02, Subdivision 1; 35.03; 35.05; 35.06; 35.063; 35.065; 35.08; 35.09; 35.10; 35.11; 35.12; 35.13; 35.15; 35.16; 35.245; 35.67; 35.68; 35.695; 35.70, Subdivisions 1, 3 and 4; 35.71, Subdivisions 3 and 7; 35.81; 35.82; 35.822; 35.830; 35.831; 346.26; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; and 347.39; repealing Minnesota Statutes 1978, Sections 35.01, Subdivisions 3, 4, 5, 6 and 7; 35.07; 35.131; 35.132; 35.133; 35.134; 35.135; 35.136; 35.137; 35.17; 35.18; 35.19; 35.20; 35.21; 35.22; 35.23; 35.24; 35.25; 35.26; 35.27; 35.28; 35.29; 35.30; 35.31; 35.32; 35.33; 35.34; 35.35; 35.40; 35.41; 35.42; 35.43; 35.44; 35.45; 35.46; 35.47; 35.48; 35.49; 35.50; 35.51; 35.55; 35.56; 35.57; 35.58; 35.60; 35.605; 35.70, Subdivisions 2, 5, 6 and 8; 35.73, Subdivision 2; and 35.821. Subdivision 2.

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

Page 3, line 4, strike "employing"

Page 3, line 5, strike "means and"

Page 3, line 10, after "1" insert "of"

Page 26, line 23, reinstate "railroad cars" and after "cars" insert a comma

Page 26, line 27, after "highways" insert "*and railroads*"

Page 38, line 5, strike "20" and insert "*a minimum of 30*"

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

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

S. F. No. 1582: A bill for an act relating to agriculture; establishing a system for collection of disease incidence, morbidity and mortality; appropriating money.

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

Page 1, line 17, delete "\$144,000" and insert "\$72,000"

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

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

S. F. No. 1842: A bill for an act relating to agriculture; clarifying definition of warehouseman; requiring denaturing and labeling of certain foods; adopting certain federal food regulations; changing certain procedures; amending Minnesota Statutes 1978, Sections 28A.15, Subdivision 4; 31.02; and 218.041, Subdivisions 3 and 4; and Minnesota Statutes, 1979 Supplement, Section 31.101, Subdivision 8; and 231.01, Subdivision 5.

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

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete "warehouseman;"

Page 1, line 5, after "regulations" insert "; striking certain obsolete language"

Page 1, lines 6 and 7 delete "28A.15, Subdivision 4;"

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1725: A bill for an act relating to education; defining "nonsectarian nonpublic school" and modifying the definition of "neutral site" to include a nonsectarian nonpublic school for purposes of certain sections providing aid to nonpublic school chil-

dren; amending Minnesota Statutes 1978, Section 123.932, Subdivision 9, and by adding a subdivision.

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1653: A bill for an act relating to education; providing individualized instructional materials to nonpublic school pupils; increasing the amount which may be spent for certain materials provided to nonpublic school pupils; amending Minnesota Statutes 1978, Sections 123.932, by adding a subdivision; and 123.933.

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

Page 3, line 10, after "3." insert "(a)"

Page 3, line 13, delete the new language

Page 3, line 19, after the period, insert:

*"(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid per pupil unit, pursuant to section 124.212, from the second preceding school year to the current school year.*

*(c)"*

Page 3, lines 24 and 25, delete "117 percent of"

Page 3, line 26, delete the new language and insert "*adjusted for inflation pursuant to clause (b)*"

Page 3, after line 29, insert:

"Sec. 3. Minnesota Statutes 1978, Chapter 123, is amended by adding a section to read:

[123.947] [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.] *(a) The department of education shall assure that individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.*

*(b) Individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.*

*(c) Individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.*

*(d) The department of education or the servicing school district or the intermediate service area shall take adequate measures to ensure an accurate and periodic inventory of all individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provision of chapter 15 to terminate the eligibility of any nonpublic school pupil if the department or the servicing school district or intermediate service area determines, after notice and opportunity for hearing, that the individualized instructional materials have been used in a manner contrary to the provisions of sections 1 to 3 or any rules promulgated by the state board of education.*

*(e) Nothing contained in sections 1 to 3 shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose."*

Page 3, line 31, delete "or 2" and insert ", 2 or 3"

Page 4, line 3, delete "or 2" and insert ", 2 or 3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "and"

Page 1, line 7, before the period insert "; and Chapter 123, by adding a section"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 993: A bill for an act relating to health; establishing a council on physical fitness and health; prescribing its duties; appropriating money.

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

Page 1, line 9, delete "is a" and insert ", poor health habits and poor nutrition are"

Page 1, line 9, delete "problem" and insert "problems"

Page 1, line 9, delete "has" and insert "have"

Page 1, line 19, after "fitness" insert ", health and nutrition"

Page 1, line 20, delete "AND" and insert a comma

Page 1, line 21, after "HEALTH" insert "AND NUTRITION"

Page 1, line 22, after "fitness" insert a comma

Page 2, line 1, delete "and"

Page 2, line 1, after "health" insert "and nutrition"

Page 2, lines 7, 14, 19, 24, and 29, after "fitness" insert ", health or nutrition"

Page 4, line 10, before the period, insert "and shall expire on July 1, 1987"

Amend the title as follows:

Page 1, line 3, delete "and" and insert a comma

Page 1, line 3, after "health" insert "and nutrition"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1788: A bill for an act relating to education; modifying rule making procedures and the tuition exemption authority of the state university board; allowing a change in the placement service registration fee at state universities; eliminating a visitation and reporting duty of the state university board and a reporting duty of state university presidents; eliminating a provision governing state university rules which conflict with the provisions of certain collective bargaining contracts; amending Minnesota Statutes 1978, Sections 136.11, Subdivisions 1 and 8; and 136.14; repealing Minnesota Statutes 1978, Sections 136.148 and 136.15.

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

Page 3, reinstate the stricken language on lines 21 to 27

Page 3, line 27, delete "No"

Page 3, delete lines 28 to 31

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

Mr. Wegener from the Committee on Local Government, to which was re-referred

S. F. No. 1054: A bill for an act relating to Morrison County; allowing free, nonsubscription publications to qualify as legal newspapers in Morrison County.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGAL NEWSPAPER; QUALIFICATIONS.] In order for a weekly to qualify as a medium of official and legal publication in Morrison County, a newspaper shall:

(1) Be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 900 square inches;

(2) If a weekly, be distributed at least once each week for 50

weeks each year, or if a daily, at least five days each week; but in any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(3) Have 25 percent of its space, in at least 50 percent of its annual issues, devoted to news, and have 50 percent of its news devoted to news of local interest to the community which it purports to serve, and it may contain general news, comment, and miscellany, but not wholly duplicate any other publication, or be made up entirely of patents, plate matter, and advertisements.

(4) Be circulated in and near Little Falls and have at least 500 copies regularly distributed;

(5) Have its known office of issue established in Morrison County;

(6) File a copy of each issue immediately with the state historical society;

(7) Be made available at single or subscription prices or at no charge to any person, corporation, partnership or other unincorporated association requesting the newspaper and making the applicable payment;

(8) File with the secretary of state, prior to January 1 of each year, an affidavit signed by the publisher or managing officer and sworn to before a notary public stating that the newspaper is a legal newspaper. The form of the affidavit shall be prescribed by the secretary of state.

Sec. 2. This act takes effect when approved by a majority of the board of county commissioners of Morrison County and upon compliance with Minnesota Statutes 1978, Section 645.021."

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1573: A bill for an act relating to employment; prohibiting certain cities from establishing residency requirements as a condition of employment.

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

Mr. Gearty from the Committee on Elections, to which was referred

S. 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 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; providing state reimbursement for the costs of administration of the

election held on the local government election day; superseding certain inconsistent general and special laws and home rule charter provisions; amending Minnesota Statutes 1978, Sections 40.05, Subdivisions 1, 3 and 4; 40.06, Subdivision 1; 122.23, Subdivisions 12, 17 and 18; 122.25, Subdivision 2; 123.12, Subdivision 1; 123.32, Subdivisions 9, 13 and 23; 123.33, Subdivisions 1 and 4; 123.34, Subdivision 1; 123.351, Subdivisions 1 and 3; 123.51; 128.01; 200.02, Subdivisions 1, 24, and by adding subdivisions; 201.061, Subdivision 6; 201.071, Subdivisions 1 and 3, and by adding a subdivision; 202A.26, Subdivision 1; 202A.52; 202A.721, Subdivision 4; 203A.17; 203A.31, Subdivision 1; 203A.32; 204A.05, Subdivision 1; 204A.06, Subdivision 1b, and by adding a subdivision; 204A.09, Subdivision 1; 204A.11, Subdivision 3, and by adding a subdivision; 204A.29; 204A.40, Subdivision 2; 204A.45, Subdivision 1; 204A.47, Subdivision 2; 204A.49, by adding a subdivision; 204A.53, Subdivision 1; 205.01; 205.02; 205.13; 205.14, Subdivisions 1, 2 and 3, and by adding a subdivision; 205.16, Subdivisions 2 and 3; 206.09; 206.21, Subdivision 3; 207.04, Subdivision 1; 207.05, Subdivision 1; 207.085; 207.151; 209.02, Subdivisions 1 and 3; 365.51; 367.33, Subdivision 3, and by adding a subdivision; 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; 412.02, Subdivision 2; 412.021, Subdivision 2; 412.571, Subdivision 5; 447.32, Subdivisions 1 and 2; 487.03, Subdivisions 2 and 5; 488A.021, Subdivision 3; and 488A.19, Subdivision 3; Chapters 204A, by adding a section; 205, by adding sections; and 210A, by adding a section; Minnesota Statutes, 1979 Supplement, Section 204A.51, Subdivision 2; repealing Minnesota Statutes 1978, Sections 123.015; 123.11, Subdivisions 2, 3, 5 and 6; 123.32, Subdivisions 1, 2, 3, 4, 6, 7, 8, 11, 22, 24, 26 and 27; 201.33; 202A.721, Subdivision 5; 205.021; 205.03; 205.07; 205.11; 205.18; 205.19; 205.20; 206.18; 447.32, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Sections 123.11, Subdivision 4; 123.32, Subdivisions 5 and 25; 205.11, Subdivision 4a; and 447.32, Subdivision 4.

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

Page 18, line 21, delete "1982" and insert "1981"

Page 19, line 18, delete "1982" and insert "1981"

Page 26, after line 14, insert:

"Sec. 16. Minnesota Statutes 1978, Section 204A.06, Subdivision 1, is amended to read:

204A.06 [ELECTION PRECINCTS.] Subdivision 1. [BOUNDARIES.] Each town, each statutory city that is separated from the town for election purposes, and each city ward, shall constitute at least one election precinct. The council of each municipality shall prescribe the boundaries of the precincts and the number of voters therein, and may rearrange the precincts from time to time, except that no changes in precinct boundaries may be made during the period beginning January 1 in any year

ending in seven and ending January 1 in any year ending in ~~two~~ *one*. If during the period beginning January 1 of a year ending in seven and ending January 1 of a year ending in ~~two~~ *one* a municipality annexes an unincorporated area located in the same county as the municipality and adjacent to the corporate boundary, the annexed area may be included in the precinct immediately adjacent to it. During the period beginning January 1 in a year ending in seven and ending January 1 in a year ending in ~~two~~ *one*, a municipality may establish new precincts lying entirely within any existing precinct for which the boundaries were established before that period; provided that: (a) the outer boundaries of the existing precinct are not altered and (b) the new precincts established within the existing precinct are assigned names that include the name of the existing precinct."

Page 27, after line 13, insert:

"Sec. 19. Minnesota Statutes 1978, Section 204A.06, Subdivision 4, is amended to read:

Subd. 4. [PRECINCT BOUNDARIES TO FOLLOW PHYSICAL FEATURES.] ~~After the general election in 1976 and before January 1, 1977,~~ The governing body of each municipality shall set all boundaries between precincts so that each boundary follows visible, clearly recognizable physical features. Where it is not possible to set the boundary between any two adjacent precincts along any such physical feature, the boundary around the two precincts combined shall be drawn so as to comply with the provisions of this subdivision, and the map of the precincts required under the provisions of subdivision 2 shall clearly indicate which boundaries are not in compliance with this subdivision. For the purposes of this subdivision, "clearly recognizable physical feature" means a street, road, boulevard, parkway, river, stream, shoreline, drainage ditch, railway right-of-way, or any other line which is clearly visible from the ground. A street or other roadway which has been platted but not graded is not a clearly recognizable physical feature for the purposes of this subdivision."

Renumber the sections in Article III in sequence

Page 79, after line 30, insert:

"Subd. 3. [EXCEPTION.] *Notwithstanding the provisions of subdivision 2, successors to members of the board of Saint Paul Independent School District No. 625 who were elected to a four year term in 1980 shall be elected at the local government election day in 1983 and shall take office at the expiration of the term to which their predecessors were elected. The term of those successors shall expire on the first Monday in January of 1988.*"

Page 79, line 33, delete "subdivision 2" and insert "subdivisions 2 and 3"

Page 80, line 6, delete "3" and insert "4"

Renumber the subdivisions in sequence

Page 81, line 16, delete "18" and insert "21"

Amend the title as follows:

Page 1, line 28, delete "Subdivision 1b" and insert "Subdivisions 1, 1b and 4"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1605: A bill for an act relating to elections; providing for a place on tax forms to indicate a desire not to allocate state money to finance election campaigns; amending Minnesota Statutes 1978, Section 10A.31, Subdivision 3.

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

Page 1, line 17, strike the period and insert "*or to indicate that*"

Page 1, line 17, delete the new language

Page 1, line 18, delete "*also provide a place for the individual to indicate*"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1669: A bill for an act relating to public finance; authorizing the issuance of Minnesota state railroad assistance bonds; appropriating money; amending Minnesota Statutes 1978, Chapter 222, by adding a section.

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1631: A bill for an act relating to energy; stating legislative energy policy; establishing a joint legislative committee on energy; providing grants and assistance for community energy planning; modifying certain need certification procedures; allowing certain utility expenses; appropriating money; amending Minnesota Statutes 1978, Sections 116H.01; 216B.16, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Section 116H.13, Subdivisions 3, 5, and 7.

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

Page 1, after line 13, insert:

“Section 1. Minnesota Statutes 1978, Section 45.17, is amended by adding a subdivision to read:

*Subd. 7. The consumer services section shall be responsible for representing and furthering the interests of residential utility consumers through participation as an intervenor or interested party in federal proceedings relating to the regulation of: (a) wholesale rates for energy delivered through interstate facilities; (b) fuel used in generation of electricity or the manufacture of gas; or (c) telecommunications. The consumer services section shall further be authorized to maintain, intervene in or otherwise participate in any civil actions relating to such federal proceedings.*

Sec. 2. Minnesota Statutes 1978, Section 45.17, is amended by adding a subdivision to read:

*Subd. 8. The consumer services section shall be responsible for representing and furthering the interests of residential utility consumers through presentation of its position regarding need and participation in the public hearing process in proceedings for the assessment of need for large energy facilities conducted pursuant to Minnesota Statutes, Chapter 15 and Minnesota Statutes, Sections 116H.01 to 116H.15, and shall further be authorized to maintain, intervene in or otherwise participate in any civil actions relating to such proceedings.”*

Page 2, line 22, delete “encourage and support” and insert “review, analyze and encourage”

Page 2, line 23, after “eliminate” insert “the need for”

Page 3, line 16, after “growth” insert “and job creation”

Page 4, line 9, delete “plans that would” and insert “proposals that could”

Page 4, line 11, delete “community” and insert “citizen”

Page 4, after line 13, insert:

*“The director shall not make grants of more than 45 percent of the amount appropriated for those purposes to cities and counties located within the seven county metropolitan area. No single grant to a city or county may exceed \$50,000.”*

Page 6, line 21, delete “On the motion of the director or any other”

Page 6, line 22, delete “person,”

Page 6, lines 31 to 33, delete the new language and insert “, and those state agencies authorized to participate in matters before the Minnesota public service commission involving utility rates and adequacy of utility services,”

Page 7, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "expenses;" insert "expanding consumer representation in certain energy hearings;"

Page 1, line 8, after "Sections" insert "45.17, by adding subdivisions;"

Page 1, line 8, delete "216B.16, by"

Page 1, line 9, delete "adding a subdivision;"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 407: A bill for an act relating to regional development commissions; requiring a report on the commission's effectiveness; providing procedures for terminating commissions; amending Minnesota Statutes 1978, Section 462.393; and Chapter 462, by adding a section.

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

Page 2, line 13, delete "1980" and insert "1981"

Page 2, line 29, after the period, insert "*For purposes of this section the population of a county does not include the population of a municipality within the county.*"

Page 3, line 2, after the second "in" insert "each of"

Page 3, line 16, delete "commission" and insert "state planning officer"

Page 3, line 17, before the period, insert "*for each regional development commission*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1802: A bill for an act relating to foreign corporations; removing certain deficiencies and ambiguities; defining certain activities that do not constitute transacting business in the state; and removing limitations on engaging in the business of making real estate loans; amending Minnesota Statutes 1978, Sections 303.02, Subdivision 3; 303.03; 303.04; and 303.25.

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

Page 2, line 6, strike "shall have" and insert "has"

Page 2, line 29, delete "such" and insert "the"

Page 3, line 8, after "*collecting*" insert "*its*"

Page 3, line 9, delete "*the same*" and insert "*them*"

Page 4, line 20, strike "*such*"

Page 4, lines 22 and 30, strike "*such*" and insert "*the*"

Page 4, line 27, delete "*such*" and insert "*the*"

Page 5, lines 1, 6, 19, 20 and 29, strike "*such*" and insert "*the*"

Page 5, lines 10, 16 and 23, strike "*such*"

Page 5, line 26, strike "*such*" and insert "*an*"

Page 6, lines 1 and 23, strike "*such*" and insert "*the*"

Page 6, lines 14 and 32, strike "*such*"

Page 6, line 33, delete "*such*"

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

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 523, 1625, 1619, 507, 1726, 1728 and 1709 makes the following report:

That the above Senate Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

## SECOND READING OF SENATE BILLS

S. F. Nos. 1789, 1807, 1734, 1842, 1725, 1653, 1788, 1054, 1573, 1605, 407 and 1802 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

## MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the name of Mr. Schrom be stricken as chief author and that his name be added as chief author to S. F. No. 684. The motion prevailed.

Mr. Merriam moved that the name of Mr. Schrom be stricken as chief author and his name be added as chief author to S. F. No. 870. The motion prevailed.

Mr. Luther moved that the name of Mr. Dieterich be added as co-author to S. F. No. 1207. The motion prevailed.

Mr. Wegener moved that the name of Mr. Schmitz be stricken as chief author and his name be added as chief author to S. F. No. 1322. The motion prevailed.

Mr. Chmielewski moved that the names of Messrs. Willet, Renneke, Wegener and Lessard be added as co-authors to S. F. No. 1602. The motion prevailed.

Mr. Benedict moved that the name of Mr. Luther be added as co-author to S. F. No. 1656. The motion prevailed.

Mr. Ulland, J. moved that the names of Mrs. Staples and Mr. Stumpf be added as co-authors to S. F. No. 1872. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dunn be added as co-author to S. F. No. 1928. The motion prevailed.

Mr. Peterson moved that the name of Mr. Nichols be added as co-author to S. F. No. 1956. The motion prevailed.

Mr. Nichols moved that the name of Mr. Penny be added as co-author to S. F. No. 1970. The motion prevailed.

Mr. Schaaf moved that the name of Mr. Merriam be added as co-author to S. F. No. 1995. The motion prevailed.

Mr. Peterson moved that the name of Mr. Nichols be stricken and the names of Messrs. Penny and Olhoft be added as co-authors to S. F. No. 2021. The motion prevailed.

Mr. Coleman introduced—

Senate Concurrent Resolution No. 13: A Senate concurrent resolution relating to adjournment of the House of Representatives for more than three days.

BE IT RESOLVED by the Senate, the House of Representatives concurring:

(1) Upon its adjournment on February 21, 1980, the House of Representatives may set its next day of meeting for 2:00 p.m. on February 28, 1980.

(2) Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate consents to the adjournment of the House of Representatives as provided by paragraph (1).

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

Mr. Schaaf moved that S. F. No. 1788 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Education. The motion prevailed.

Mr. Strand moved that S. F. No. 2044 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

#### CALL OF THE SENATE

Mr. Ashbach imposed a call of the Senate for the proceedings on S. F. No. 129. The following Senators answered to their names:

Anderson	Gunderson	Lessard	Perpich	Spear
Barrette	Hughes	Luther	Peterson	Staples
Benedict	Humphrey	McCutcheon	Pillsbury	Stern
Brataas	Johnson	Menning	Renneke	Strand
Chmielewski	Kirchner	Merriam	Rued	Stumpf
Coleman	Kleinbaum	Moe	Schaaf	Ueland, A.
Dieterich	Knaak	Nelson	Schmitz	Ulland, J.
Dunn	Knoll	Nichols	Setzepfandt	Wegener
Engler	Knutson	Ogdahl	Sillers	Willet
Frederick	Laufenburger	Olhoft	Solon	

The Sergeant at Arms was instructed to bring in the absent members.

Mr. Pillsbury moved that the Senate conferees on S. F. No. 129 be instructed to accede to the House amendments placed on S. F. No. 129 with respect to Article IV, Sections 2 and 3 of the Constitution as they appear on page 2652 of the House Journal of May 18, 1979.

Mr. Coleman moved that the motion of Mr. Pillsbury be laid on the table.

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

The roll was called, and there were yeas 42 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Humphrey	Menning	Purfeerst	Stokowski
Benedict	Johnson	Merriam	Schaaf	Strand
Chmielewski	Keefe, S.	Moe	Schmitz	Stumpf
Coleman	Kleinbaum	Nelson	Setzepfandt	Tennessee
Davies	Knoll	Nichols	Sikorski	Wegener
Dieterich	Laufenburger	Olhoft	Solon	Willet
Gearty	Lessard	Olson	Spear	
Gunderson	Luther	Perpich	Staples	
Hughes	McCutcheon	Peterson	Stern	

Those who voted in the negative were:

Ashbach	Brataas	Jensen	Ogdahl	Rued
Bang	Dunn	Keefe, J.	Penny	Sillers
Barrette	Engler	Knaak	Pillsbury	Ueland, A.
Bernhagen	Frederick	Knutson	Renneke	Ulland, J.

The motion prevailed.

Mr. Jensen moved that the Conference Committee Report on S. F. No. 129 on which action was taken by the Senate on January 31, 1980, be printed in the Senate Journal.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Benedict	Coleman	Frederick	Humphrey
Ashbach	Bernhagen	Davies	Gearty	Jensen
Bang	Brataas	Dunn	Gunderson	Johnson
Barrette	Chmielewski	Engler	Hughes	Keefe, J.

Kirchner	McCutcheon	Olson	Schaaf	Stokowski
Kleinbaum	Menning	Penny	Setzepfandt	Strand
Knaak	Merriam	Perpich	Sikorski	Stumpf
Knoll	Moe	Peterson	Sillers	Ueland, A.
Knutson	Nelson	Pillsbury	Solon	Ulland, J.
Laufenburger	Nichols	Purfeerst	Spear	Wegener
Lessard	Ogdahl	Renneke	Staples	Willet
Luther	Olhoff	Rued	Stern	

Mr. Dieterich voted in the negative.

The motion prevailed.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 129

A bill for an act relating to reapportionment of the legislature and congressional districts; proposing an amendment to the Minnesota Constitution, Article IV, Sections 2, 3 and 4 to provide for establishment of the boundaries of congressional and legislative districts by a commission, removing the requirement that all senators be elected at the first general election following an apportionment and limiting the power of the legislature to change the number of senators and representatives; implementing the proposed amendment by providing by law for the duties, powers and operation of the commission; and repealing Minnesota Statutes 1978, Sections 2.041 to 2.712 and 2.731 to 2.811.

May 21, 1979

The Honorable Edward J. Gearty  
President of the Senate

The Honorable Rod Searle  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 129, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and the bill be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Subdivision 1. An amendment to the Minnesota Constitution is proposed to the people as provided by subdivisions 2 and 3.

Subd. 2. If the amendment is adopted, Article IV, Sections 2 and 3 will read as follows:

Sec. 2. [APPORTIONMENT OF MEMBERS.] The number of members who compose the senate and house of representatives shall be prescribed by law. ~~The representation in both houses shall be apportioned equally throughout the different sections of the state in proportion to the population thereof. A law changing the number of senators or representatives shall be effective only on January 1 of the next year ending in the number one following~~

*enactment of the law and shall govern only at general elections occurring after that date.*

**Sec. 3.** *At this first session after each enumeration of the inhabitants of this state made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional and legislative districts. Senators shall be chosen by single districts of convenient contiguous territory. No representative district shall be divided in the formation of a senate district. The senate districts shall be numbered in a regular series. The legislature shall not prescribe the boundaries for the districts of senators and representatives or for the districts of representatives in the congress of the United States.*

**Subd. 3.** *If the amendment is adopted, a new article will be added to the constitution which will read as follows:*

## ARTICLE XV

### REAPPORTIONMENT COMMISSION

**Section 1.** **[REAPPORTIONMENT COMMISSION.]** *In each year ending in the number one, or when required by court order, a reapportionment commission shall be established to draw the boundaries of legislative and congressional districts.*

*The commission shall consist of nine members who are eligible voters of the state. One member shall be appointed by the speaker of the house and one by the members of the house representing political parties other than the party represented by the speaker. One member shall be appointed by the president of the senate and one by the members of the senate representing political parties other than the party represented by the president. Article IV, Section 5 shall not apply to the appointment of members of the reapportionment commission. The term "political party" as used in this section shall have the meaning provided by law.*

*The remaining five members shall be appointed by unanimous agreement of the legislative appointees and shall be impartial in the matter of apportionment. The qualifications of impartial members shall be as provided by law.*

*Members of the commission shall be appointed within the time provided by law but not later than March 15 when the commission is established in a year ending in the number one.*

**Sec. 2.** **[APPORTIONMENT STANDARDS.]** *The commission shall draw the boundaries of legislative and congressional districts in accordance with the requirements of this section. There shall be one district for each representative, senator and representative in congress. No representative district shall be divided in the formation of a senate district.*

*All districts of the same kind shall be as equal in population as practicable. Population shall be the controlling factor in drawing the district boundaries.*

*The districts shall be composed of compact and contiguous territory. To the extent consistent with other standards, the boundaries of the districts shall follow the boundaries of local governmental units. No apportionment plan shall be drawn for the purpose of favoring any political party or person. Legislative and congressional districts shall be drawn according to the number of legislators and representatives in congress to be elected at general elections following the adoption of the apportionment plan.*

**Sec. 3. [APPORTIONMENT PLAN.]** *The commission by a vote of at least six of its members shall adopt an apportionment plan setting forth all of the new legislative and congressional districts within the time provided by law but not later than December 1 when the commission is established in a year ending in the number one.*

*An apportionment plan shall be effective 30 days after it is adopted. The districts set forth in a plan shall govern elections of representatives in congress beginning with the first general election after the plan is adopted and shall govern elections of state representatives and senators when they are next elected for a regular term as provided by Article IV, Section 4.*

**Sec. 4. [JUDICIAL REVIEW; COURT DRAWN PLAN.]** *The supreme court shall exercise original jurisdiction in any matter relating to apportionment in the manner provided by law. If the commission fails to adopt and file an apportionment plan within the time provided by law the supreme court shall adopt its own plan in accordance within the requirements of section 2 of this article.*

**Sec. 5.** *The legislature may enact the laws necessary to implement this article provided that reapportionment shall be governed by the law in effect on January 1 of the year in which a reapportionment commission is established.*

**Sec. 2.** The amendment shall be submitted to the people at the 1980 general election. The question proposed shall be:

“Shall the Minnesota Constitution be amended to transfer from the legislature to a bipartisan commission the power to establish the boundaries of legislative and congressional districts?”

Yes.....  
No.....”

8F

**Sec. 3.** An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, Article IV, Section 4, will read as follows:

**Sec. 4. [TERMS OF OFFICE OF SENATORS AND REPRESENTATIVES; VACANCIES.]** Representatives shall be chosen for a term of two years, except to fill a vacancy. Senators shall be chosen for a term of four years, except to fill a vacancy and except there shall be an entire new election of all the senators at the first election of representatives after each new legislative apportionment provided for in this article. The governor shall call elections to fill vacancies in either house of the legislature.

Sec. 4. The amendment shall be submitted to the people at the 1980 general election. The question proposed shall be:

“Shall the Minnesota Constitution be amended so that state senators will complete their regular terms before state senate elections are held under a new reapportionment plan?

Yes.....

No.....”

Sec. 5. [2A.01] [CITATION.] Sections 5 to 16 may be cited as the “Reapportionment Implementation Act”.

Sec. 6. [2A.02] [APPOINTMENT.] Subdivision 1. For the purpose of Article XV, Section 1 of the Minnesota Constitution “political party” means the political party or political principle by which a legislator was designated on the general election ballot when the legislator was last elected.

Subd. 2. Not more than five members of the commission shall be residents of either the metropolitan area as defined in section 473.121, subdivision 2 or the area consisting of the remainder of the state.

Subd. 3. No individual shall be appointed or shall serve as an impartial member of the commission who:

(a) holds or has held within two years prior to appointment an elected or appointed office in the executive, judicial or legislative branch or in an independent agency of the federal or state government;

(b) is or has been within two years prior to appointment an officer of a political party, except a precinct officer, or an officer of a campaign committee of a candidate for state or federal office;

(c) is an employee of the legislature or congress;

(d) is a member of the immediate family of a legislator or representative in congress. “Member of the immediate family” means father, mother, son, daughter, brother, sister, spouse, ex-spouse or member of the same household; or,

(e) is or has been a lobbyist within two years prior to appointment. “Lobbyist” means an individual defined by Minnesota Statutes, Section 10A.01, Subdivision 11.

Subd. 4. No individual appointed as an impartial member of the commission shall, while a member of the commission, be a candidate for any elective state or federal office.

Subd. 5. Not later than January 15 of each year ending in the number one the secretary of state shall request the legislators who are authorized by the constitution to appoint members to serve on the commission to certify the names of their appointees. The representatives representing political parties other than the party represented by the speaker of the house and the senators representing political parties other than the party represented by the president of the senate shall convene during the ten days

following the request of the secretary of state, at a time and place directed by the secretary, to appoint members of the commission. The secretary of state shall preside at these conventions. The names of all legislative appointees shall be certified to the secretary of state not later than the following February 1. If a certification is not received within the required time, the secretary of state shall notify the chief justice of the supreme court that there is a vacancy on the commission. Within ten days after notification the supreme court shall fill the vacancy and certify the name of the appointee to the secretary of state.

Subd. 6. Not later than March 15 the commission members whose appointments have been certified pursuant to subdivision 5 shall appoint the impartial members and certify the names to the secretary of state. When a certificate is not received within the required time, the secretary of state shall notify the chief justice that there is a vacancy. Within ten days after the notification the supreme court shall appoint the necessary number of impartial members and certify their names to the secretary of state.

Subd. 7. Vacancies other than those resulting from a failure to appoint a member within the time provided by law shall be filled by the appointing authority that made the original appointment within five days after the vacancy occurs.

Sec. 7. [2A.03] [COMMENCEMENT OF DUTIES; MEETINGS.] Subdivision 1. The secretary of state shall select a time and place of the first meeting of the commission, which shall not be later than April 1 of the year ending in one, and shall notify the commission members of the time and place selected. Before beginning to exercise their official duties the members of the commission shall take an oath in the form required for other state officers. The secretary of state shall preside at the meeting until the election of a permanent presiding officer. The commission shall elect a presiding officer and other officers as it shall find necessary. The secretary of state is the secretary of the commission.

Subd. 2. The commission, after notice and opportunity for public comment, may adopt and publish procedures necessary to carry out its duties. Chapter 15 does not apply to these procedures.

Subd. 3. The commission shall meet upon the call of either the presiding officer or a majority of the members of the commission. The proceedings of the commission are open to the public. The commission shall give public notice of its proceedings and shall keep minutes and audio recordings of those proceedings. All materials submitted to or developed by the commission, together with the minutes and audio record of its proceedings shall be preserved and made available for public inspection and copying. The commission may administer oaths to individuals appearing before it.

Subd. 4. A majority of the members of the commission constitutes a quorum to conduct business. At any meeting of the commission at which a quorum is present, a majority of those present

*may compel the attendance of absent members. The attendance of absent members may be compelled in the manner that either the senate or house of representatives provide for their members.*

**Sec. 8. [2A.04] [REMOVAL OF COMMISSION MEMBER.]** *Any member of the commission may be removed from the commission by the supreme court. A petition for removal may be filed by any eligible voter. The member may be removed, after a hearing, upon a finding by the supreme court, by a preponderance of the evidence, that a member of the commission has been convicted of violating the law, or that a member is unqualified to serve under the provisions of section 6, subdivision 3 or 4, or that a member is physically or mentally incapable of serving, or is unwilling to serve. It is prima facie evidence that a member is unwilling to serve if he or she fails to attend three successive meetings of the commission or fails to attend a total of six meetings of the commission. Upon removal, the position shall be filled in the manner provided for filling vacancies.*

**Sec. 9. [2A.05] [ADMINISTRATIVE SUPPORT.]** *The presiding officer of the commission shall supervise the staff of the commission. The secretary of state, department of administration, attorney general and revisor of statutes shall make available the personnel, facilities, technical services and other assistance requested by the commission. The commission may employ or contract for the services of other staff personnel.*

**Sec. 10. [2A.06] [APPORTIONMENT PLAN.]** *Subdivision 1. An apportionment plan adopted by the commission shall include:*

*(a) A written description of each district drawn by the commission;*

*(b) A map of each district showing the name and location of each public road and each local governmental unit boundary in the district in a scale that allows precise location of the district boundaries;*

*(c) A map of the state showing all of the districts drawn by the commission;*

*(d) A statement of the deviation in population of each district from the average population of all districts of that kind;*

*(e) A justification of any population deviation described in clause (d) which exceeds one-half of one percent for a congressional district or five percent for legislative districts;*

*(f) An explanation of the standards used by the commission to draw the districts; and*

*(g) Any other information which the commission deems relevant to the plan.*

*Subd. 2. An apportionment plan shall be adopted not later than September 1 of the year in which the commission is established. The supreme court, upon petition by the commission, may extend the time for adoption of the plan to a date not later than December 1 of that year if the court finds that the population information*

*needed by the commission to adopt the plan has not been made available in a timely manner. When an apportionment plan adopted by the commission is remanded by the court, the commission shall adopt an amended plan consistent with the finding of the court not later than 30 days after the original plan is remanded.*

*Subd. 3. An apportionment plan is adopted when approved by a vote of at least six members of the commission and filed with the secretary of state. An apportionment plan is effective 30 days after it is adopted.*

*Subd. 4. Any commission members in the minority may prepare a minority report which shall be published with the plan adopted by the commission.*

**Sec. 11. [2A.07] [COURT ORDER OR CHANGE IN CONGRESSIONAL REPRESENTATION.]** *Subdivision 1. When a commission is not otherwise constituted and either the number of the state's representatives in congress is changed by federal law or a federal court order requires amendment of a plan, a commission shall be established and shall draw the congressional district boundaries or amend the plan.*

*Subd. 2. The supreme court shall set a timetable for establishing a reapportionment commission and drawing the boundaries or amending the plan. The timetable shall be consistent with the time provided for adoption of an apportionment plan pursuant to section 10, subdivision 2, as far as practicable.*

**Sec. 12. [2A.08] [COMPENSATION.]** *Members of the commission who are not paid a salary by the state shall be compensated at the rate provided by section 15.059, subdivision 3, for members of advisory councils and committees. Members shall be compensated for their actual and necessary expenses incurred in carrying out their duties on the commission in the same manner and amount as other state employees.*

**Sec. 13. [2A.09] [DISSOLUTION.]** *When a reapportionment plan of the commission is adopted and all known legal actions concerning the plan have been decided or when the commission fails to adopt a plan within the time required, the commission shall conclude its business and dissolve. The conclusion of business shall include preparation of the official record of the commission and a financial statement disclosing all expenditures made by the commission. The official record shall contain all information developed by the commission pursuant to carrying out its duties including records of public hearings, data collected, minutes and audio recordings of hearings and meetings, and other information of a similar nature. The official record shall be submitted to the secretary of state who shall provide for its preservation.*

**Sec. 14. [2A.10] [PUBLICATION OF REPORT.]** *Subdivision 1. Promptly after the filing of an apportionment plan the secretary of state shall:*

(a) Prepare and transmit a copy of the plan to each county auditor;

(b) Prepare and transmit a summary of the plan to each newspaper of general circulation and each radio and television station in the state; and

(c) Prepare sufficient copies of the plan and the summary for inspection, copying and purchase by the public.

**Subd. 2. The summary shall contain:**

(a) A map showing all the new districts in the state;

(b) Separate maps showing the districts in the principal area served by the newspaper, radio or television station;

(c) A statement of the population of each district;

(d) A statement of the percentage variation of each district from the average population of other districts of the same kind; and

(e) An indication of where a copy of the final report of the commission may be examined or purchased and its purchase price.

**Sec. 15. [2A.11] [JUDICIAL REVIEW.]** Subdivision 1. An action to review an apportionment plan adopted by the reapportionment commission shall be commenced by petition to the supreme court within 30 days of the effective date of the plan. The petition shall set forth the facts and the law on the basis of which petitioner believes the plan does not comply with the provisions of the United States Constitution, the Minnesota Constitution or other provisions of law. A copy of the petition shall be served upon the commission and upon the attorney general. The court shall hold hearings upon the petition and shall render its opinion within 60 days of the date that the petition is filed.

**Subd. 2.** If the court determines that an original, unamended plan of the reapportionment commission does not comply with constitutional or legal requirements, the court shall specify the reasons for its finding and immediately remand the plan to the commission for amendment.

**Subd. 3.** If a federal court determines that an original unamended plan of the reapportionment commission does not comply with constitutional or legal requirements, and the court permits the commission to redraw the boundaries with consideration to the court's findings and conclusions, the plan shall be remanded to the commission for amendment.

**Subd. 4.** If the commission fails to adopt an apportionment plan or an amended plan within the time provided by law, or an amended plan adopted by the commission is found invalid upon review by the supreme court or by any federal court, the supreme court shall adopt its own reapportionment plan in accordance with the requirements of Article XV, Section 2, of the Minnesota Constitution. The court shall hold at least one public hearing before adopting or amending a plan. An apportionment plan adopted or amend-

*ed by the supreme court shall be in the form prescribed for a plan adopted by the commission. The court shall adopt the plan or amended plan and file it with the secretary of state not later than 60 days from the date on which the commission was required to adopt its plan or the date on which the plan was declared invalid. The plan is effective 30 days after it is adopted.*

**Sec. 16. [2A.12] [DUTIES OF ATTORNEY GENERAL.]** *The attorney general shall represent the commission in any action in the supreme court and shall represent the state in any action in a federal court concerning an apportionment plan adopted pursuant to Article XV of the Minnesota Constitution and sections 5 to 15. The attorney general shall argue the validity of the boundaries of the legislative and congressional districts drawn by the commission. In any action in federal court, the attorney general shall request the court to expedite the proceedings.*

**Sec. 17. [REPEALER.]** *Minnesota Statutes 1978, Sections 2.041 to 2.712 are repealed on the effective date of this section. Minnesota Statutes 1978, Sections 2.731 to 2.811 are repealed on the date when an apportionment plan setting forth new congressional districts is effective pursuant to Article XV of the constitution.*

**Sec. 18. [EFFECTIVE DATE.]** *Sections 5 to 17 shall take effect on the date the constitutional amendment in section 1 is ratified as provided by the constitution.*

**Sec. 19. [BALLOT QUESTIONS.]** *Notwithstanding any law or rule to the contrary, the ballot question in section 2 shall immediately precede the ballot question in section 4 and both ballot questions shall precede any other ballot questions when the two questions are submitted to the people at the 1980 general election. This section is effective August 1, 1979."*

Delete the title and insert:

*"A bill for an act relating to reapportionment of the legislature and congressional districts; proposing an amendment to the Minnesota Constitution, Article IV, Sections 2, 3 and 4 to provide for establishment of the boundaries of congressional and legislative districts by a commission, removing the requirement that all senators be elected at the first general election following an apportionment and limiting the power of the legislature to change the number of senators and representatives; implementing the proposed apportionment commission amendment by providing by law for the duties, powers and operation of the commission; imposing duties on certain state officials; and repealing Minnesota Statutes 1978, Sections 2.041 to 2.712 and 2.731 to 2.811."*

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

Senate Conferees: (Signed) William P. Luther, George S. Pillsbury, Gerry Sikorski

House Conferees: (Signed) Michael R. Sieben, Todd H. Otis, Bill Peterson, Douglas R. Ewald

## CALENDAR

S. F. No. 1646: A bill for an act relating to executions; providing that issuance of an execution may be made without docketing of the judgment in the county where the money or personal property is owed to the judgment debtor by a third party; amending Minnesota Statutes 1978, Section 550.07.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olhoff	Sillers
Ashbach	Frederick	Knoll	Olson	Spear
Bang	Gearty	Laufenburger	Penny	Staples
Barrette	Gunderson	Lessard	Perpich	Stern
Benedict	Hughes	Luther	Peterson	Stokowski
Bernhagen	Humphrey	McCutcheon	Pillsbury	Strand
Brataas	Jensen	Menning	Purfeerst	Stumpf
Chmielewski	Johnson	Merriam	Renneke	Tennessee
Coleman	Keefe, J.	Moe	Rued	Ueland, A.
Davies	Keefe, S.	Nelson	Schaaf	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Wegener
Dunn	Kleinbaum	Ogdahl	Sikorski	Willet

Mr. Knutson voted in the negative.

So the bill passed and its title was agreed to.

## CONSENT CALENDAR

S. F. No. 1848: A bill for an act relating to veterans; creating an outreach program for Vietnam era disabled veterans in the department of economic security's employment service; amending Minnesota Statutes 1978, Section 268.14, by adding a subdivision.

With the unanimous consent of the Senate, Mr. Chmielewski moved to amend S. F. No. 1848 as follows:

Page 2, line 2, delete "July 27, 1973" and insert "May 7, 1975"

Page 2, line 12, before the period, insert ", and shall expire on January 30, 1981"

The motion prevailed. So the amendment was adopted.

S. F. No. 1848 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Spear
Ashbach	Gearty	Laufenburger	Perpich	Staples
Bang	Gunderson	Lessard	Peterson	Stern
Barrette	Hughes	Luther	Pillsbury	Stokowski
Benedict	Humphrey	McCutcheon	Purfeerst	Strand
Bernhagen	Jensen	Menning	Renneke	Stumpf
Brataas	Johnson	Merriam	Rued	Tennesen
Chmielewski	Keefe, J.	Moe	Schaaf	Ueland, A.
Coleman	Keefe, S.	Nelson	Schmitz	Ulland, J.
Davies	Kirchner	Nichols	Setzepfandt	Wegener
Dieterich	Kleinbaum	Ogdahl	Sikorski	Willet
Dunn	Knaak	Olhoft	Sillers	
Engler	Knoll	Olson	Solon	

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

S. F. No. 1645: A bill for an act relating to courts; providing for hearings on rules proposed by the supreme court; amending Minnesota Statutes 1978, Section 480.054.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Perpich	Staples
Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Hughes	Luther	Pillsbury	Stokowski
Barrette	Humphrey	McCutcheon	Purfeerst	Strand
Benedict	Jensen	Menning	Renneke	Stumpf
Bernhagen	Johnson	Merriam	Rued	Tennesen
Brataas	Keefe, J.	Moe	Schaaf	Ueland, A.
Chmielewski	Keefe, S.	Nelson	Schmitz	Ulland, J.
Davies	Kirchner	Nichols	Setzepfandt	Wegener
Dieterich	Kleinbaum	Ogdahl	Sikorski	Willet
Dunn	Knaak	Olhoft	Sillers	
Engler	Knoll	Olson	Solon	
Frederick	Knutson	Penny	Spear	

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

S. F. Nos. 1665, 1611 and 1729, which the committee recommends to pass.

On motion of Mr. Keefe, S., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Keefe, S. moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, February 25, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTY-FIRST DAY

St. Paul, Minnesota, Monday, February 25, 1980

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

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Dieterich	Kirchner	Perpich	Sillers
Ashbach	Dunn	Kleinbaum	Peterson	Spear
Bang	Engler	Knaak	Pillsbury	Stokowski
Benedict	Gearty	Knoll	Purfeerst	Stumpf
Bernhagen	Hughes	Luther	Renneke	Ueland, A.
Brataas	Humphrey	McCutcheon	Rued	Ulland, J.
Chmielewski	Jensen	Merriam	Schaaf	Willet
Coleman	Keefe, J.	Nelson	Setzpfandt	
Davies	Keefe, S.	Olhoft	Sikorski	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Edward Flahavan.

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

Anderson	Engler	Knaak	Olhoft	Sikorski
Ashbach	Frederick	Knoll	Olson	Sillers
Bang	Gearty	Knutson	Perpich	Solon
Benedict	Gunderson	Laufenburger	Peterson	Spear
Bernhagen	Hughes	Lessard	Pillsbury	Stokowski
Brataas	Humphrey	Luther	Purfeerst	Stumpf
Chmielewski	Jensen	McCutcheon	Renneke	Tennessee
Coleman	Keefe, J.	Merriam	Rued	Ueland, A.
Davies	Keefe, S.	Nelson	Schaaf	Ulland, J.
Dieterich	Kirchner	Nichols	Setzpfandt	Willet
Dunn	Kleinbaum	Ogdahl	Sieloff	

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Barrette, Hanson, Johnson, Menning, Moe, Penny, Schmitz, Mrs. Staples, Messrs. Stern, Strand, Vega and Wegener were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Knoll, Anderson, Mrs. Staples and Mr. Ulland, J. introduced—

S. F. No. 2099: A bill for an act relating to housing; permitting an increase in certain grants made by the housing finance agency; authorizing limitations on the assumability of mortgages made or purchased by the agency; modifying the program for moderate rehabilitation of rental properties; amending Minnesota Statutes 1978, Section 462A.05, Subdivision 17; and Minnesota Statutes, 1979 Supplement, Sections 462A.05, Subdivision 15; and 462A.21, Subdivision 11.

Referred to the Committee on Energy and Housing.

Messrs. Knoll, Tennesen, Sikorski and Kirchner introduced—

S. F. No. 2100: A bill for an act relating to trade regulations; providing limits on formaldehyde concentrations emitted from building materials and insulation; prohibiting certain transactions; providing remedies; prescribing penalties; amending Minnesota Statutes 1978, Section 325.907, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Penny, Ashbach, Gearty, Dunn and Ogdahl introduced—

S. F. No. 2101: A bill for an act relating to state government; raising the limit on the balance allowed to remain in the state auditor's revolving fund; empowering the state auditor to establish a personnel recruitment, hiring, promotional, and salary plan in consultation with the commissioner of the department of personnel; amending Minnesota Statutes 1978, Section 6.58; and Chapter 6, by adding a section.

Referred to the Committee on Governmental Operations.

Messrs. Wegener, Chmielewski and Olson introduced—

S. F. No. 2102: A bill for an act relating to the city of Melrose; authorizing the issuance of general obligation bonds for a fire hall and community center.

Referred to the Committee on Local Government.

Mr. Gearty introduced—

S. F. No. 2103: A bill for an act relating to courts; providing for an additional probate judge for Hennepin county; amending Minnesota Statutes 1978, Section 525.04.

Referred to the Committee on Judiciary.

Messrs. Tennessen, Knoll, Merriam, Davies and Spear introduced—

S. F. No. 2104: A bill for an act relating to state lands; changing the interest rate on unpaid sale balances; amending Minnesota Statutes 1978, Section 92.06, Subdivision 1.

Referred to the Committee on Commerce.

Mr. Anderson introduced—

S. F. No. 2105: A bill for an act relating to courts; transfer of persons committed as dangerous to the public or found to have a psychopathic personality; providing for notice of hearing to the county attorney of the county of proposed transfer; amending Minnesota Statutes 1978, Section 253A.14, Subdivision 2.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S. F. No. 2106: A bill for an act relating to retirement; authorizing certain persons to purchase prior service credit.

Referred to the Committee on Governmental Operations.

Messrs. Dieterich, Humphrey and Anderson introduced—

S. F. No. 2107: A bill for an act relating to energy; requiring public utilities to make available residential energy audits; allowing for costs thereof; providing for standards and qualifications of personnel.

Referred to the Committee on Energy and Housing.

Mr. Merriam introduced—

S. F. No. 2108: A bill for an act relating to education; eliminating the requirement that a treasurer of an independent school district provide a corporate surety bond to the state; repealing Minnesota Statutes 1978, Section 123.34, Subdivision 6.

Referred to the Committee on Education.

Messrs. Schmitz, Purfeerst, Wegener, Laufenburger and Engler introduced—

S. F. No. 2109: A bill for an act relating to transportation; permitting establishment of toll bridges on county highways and county state aid highways; authorizing the issuance of revenue bonds to finance their cost; amending Minnesota Statutes 1978, Chapter 165, by adding a section.

Referred to the Committee on Transportation.

Messrs. Purfeerst; Stern; Keefe, S.; Engler and Kirchner introduced—

S. F. No. 2110: A bill for an act relating to metropolitan government; providing for the maximum amount of the borrowing authorization of the metropolitan airports commission; amending Minnesota Statutes 1978, Section 473.667, Subdivision 2.

Referred to the Committee on Transportation.

Messrs. Wegener, Olson, Chmielewski, Dunn and Rued introduced—

S. F. No. 2111: A bill for an act relating to counties; providing for the responsibilities and appointments of deputy county treasurers; amending Minnesota Statutes 1978, Section 385.02, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Wegener, Chmielewski, Olson, Dunn and Rued introduced—

S. F. No. 2112: A bill for an act relating to elections; fixing compensation for county canvassing boards and county and township election judges; amending Minnesota Statutes, 1979 Supplement, Section 204A.23.

Referred to the Committee on Elections.

Messrs. Merriam, Barrette, Gunderson and Strand introduced—

S. F. No. 2113: A bill for an act relating to education; modifying the employment status of certain substitute teachers; amending Minnesota Statutes 1978, Section 123.35, Subdivision 5.

Referred to the Committee on Education.

Messrs. Merriam, Strand, Rued, Barrette and Knutson introduced—

S. F. No. 2114: A bill for an act relating to the legislature; establishing a temporary joint legislative study commission and empowering it to examine the educational programs for primary patient care of the University of Minnesota Medical School; appropriating money.

Referred to the Committee on Education.

Messrs. Johnson, Chmielewski, Olhoft, Davies and Merriam introduced—

S. F. No. 2115: A bill for an act relating to tax increment financing; providing for approval of a majority of local taxing dis-

tricts prior to establishment or modification of a tax increment financing district; providing for approval of a majority of local taxing districts prior to deferred property taxation for private redevelopment; amending Minnesota Statutes, 1979 Supplement, Sections 273.74, Subdivisions 2 and 3; and 273.86, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Davies, Willet, Olson and Dunn introduced—

S. F. No. 2116: A bill for an act proposing an amendment to the Minnesota Constitution, Article X, Section 6; removing restrictions upon the power to tax the mining, production or beneficiation of copper, copper-nickel or nickel.

Referred to the Committee on Taxes and Tax Laws.

Mr. Spear introduced—

S. F. No. 2117: A bill for an act relating to commerce; exempting savings associations from licensing and bonding requirements of safe deposit companies; deleting the dollar limitation on examination fees; amending Minnesota Statutes 1978, Sections 55.06, Subdivision 1; and 55.095.

Referred to the Committee on Commerce.

Mr. Schmitz introduced—

S. F. No. 2118: A bill for an act relating to retirement; authorizing the purchase of prior service by certain members of the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mr. Schmitz introduced—

S. F. No. 2119: A bill for an act relating to Carver County; applying the provisions of the municipal housing and redevelopment act to Carver county; providing for local approval of projects.

Referred to the Committee on Energy and Housing.

Mr. Schmitz introduced—

S. F. No. 2120: A bill for an act appropriating money for restoration projects and educational programs at Murphy's Landing in Scott County.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Barrette, Sieloff and Dieterich introduced—

S. F. No. 2121: A bill for an act relating to courts; second judicial district; requiring fees to be taxed to the state in certain criminal prosecutions; requiring the state and city of St. Paul to pay civil fees; amending Minnesota Statutes 1978, Sections 488A.20, Subdivision 4; and 488A.23, Subdivision 6.

Referred to the Committee on Judiciary.

Mrs. Stokowski; Messrs. Gearty; Ueland, A. and Keefe, S. introduced—

S. F. No. 2122: A bill for an act relating to elections; authorizing time off from work for election judges; amending Minnesota Statutes 1978, Section 204A.18, by adding a subdivision.

Referred to the Committee on Elections.

Messrs. McCutcheon, Knutson and Engler introduced—

S. F. No. 2123: A bill for an act relating to Dakota County; providing for the expenses of the county commissioners; amending Laws 1961, Chapter 249, Section 2, as amended.

Referred to the Committee on Local Government.

Messrs. Tennesen, Merriam, Knoll, Davies and Keefe, J. introduced—

S. F. No. 2124: A bill for an act relating to privacy; modifying the provisions for consent to disclosure of private data; amending Minnesota Statutes, 1979 Supplement, Section 15.163, Subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Tennesen, Merriam, Knoll, Davies and Keefe, J. introduced—

S. F. No. 2125: A bill for an act relating to privacy; providing for classification of certain welfare data; amending Minnesota Statutes, 1979 Supplement, Section 15.1691, Subdivision 3.

Referred to the Committee on Judiciary.

Mr. Pillsbury introduced—

S. F. No. 2126: A bill for an act relating to retirement; extending the option for purchase of prior service credit by certain legislative employees; amending Laws 1975, Chapter 388, Section 1, Subdivision 3, as added and amended.

Referred to the Committee on Governmental Operations.

**Messrs. Johnson, Perpich and Lessard introduced—**

**S. F. No. 2127: A bill for an act relating to taxation; distribution of taconite taxes among school districts; amending Minnesota Statutes 1978, Section 298.28, Subdivision 1.**

**Referred to the Committee on Taxes and Tax Laws. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.**

**Messrs. McCutcheon, Johnson and Perpich introduced—**

**S. F. No. 2128: A bill for an act relating to taxation; clarifying the apportionment of income from taconite producers to Minnesota; amending Minnesota Statutes 1978, Section 298.40, by adding a subdivision.**

**Referred to the Committee on Taxes and Tax Laws.**

**Messrs. Johnson, Willet, Engler and Lessard introduced—**

**S. F. No. 2129: A bill for an act relating to natural resources; regulating the use of state funded trails; providing a penalty; amending Minnesota Statutes 1978, Section 84.90, Subdivision 4; and Chapter 85, by adding a section.**

**Referred to the Committee on Agriculture and Natural Resources.**

**Messrs. Humphrey, Rued, Anderson, Dunn and Stern introduced—**

**S. F. No. 2130: A bill for an act relating to industrial development; providing for various energy related projects; amending Minnesota Statutes 1978, Sections 474.01, Subdivision 4; and 474.02, by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Section 474.03.**

**Referred to the Committee on Energy and Housing.**

**Messrs. Olson, Nelson, Wegener, Renneke and Penny introduced—**

**S. F. No. 2131: A bill for an act relating to local government; permitting local governmental bodies to set mileage allowances for officers and employees; amending Minnesota Statutes 1978, Section 471.665, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Section 471.665, Subdivision 1.**

**Referred to the Committee on Local Government.**

**Messrs. Renneke, Laufenburger, Bang, Johnson and Purfeerst introduced—**

**S. F. No. 2132: A bill for an act relating to state government;**

renaming the securities division of the department of commerce; amending Minnesota Statutes 1978, Section 45.01.

Referred to the Committee on Commerce.

Messrs. Tennessen, Johnson, Pillsbury, Luther and Ashbach introduced—

S. F. No. 2133: A bill for an act relating to state government; separating the department of public service from the public service commission; changing the name of the commission to the public utilities commission; removing obsolete language; clarifying powers and duties; transferring certain funds previously appropriated; amending Minnesota Statutes 1978, Sections 216.16; 216A.01; 216A.04; 216A.05, Subdivisions 2, 4 and 5; 216A.07; 216B.08; 216B.12, Subdivision 1; 216B.15; 216B.62, Subdivisions 2 and 3; repealing Minnesota Statutes 1978, Section 216B.62, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Willet, Moe, Purfeerst, Dunn and Humphrey introduced—

S. F. No. 2134: A bill for an act relating to natural resources; providing for analysis of hydroelectric generating capacity of publicly owned dams; clarifying provisions relating to the administration of and authorization for dam repair and reconstruction grants; authorizing the employment of a person to administer grants; amending Minnesota Statutes 1978, Section 105.482, Subdivisions 1 and 4; Minnesota Statutes, 1979 Supplement, Section 105.482, Subdivisions 3 and 5a; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Keefe, J. and Ogdahl introduced—

S. F. No. 2135: A bill for an act relating to retirement; judicial service credit for referees in juvenile court; amending Minnesota Statutes 1978, Section 490.121, Subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Keefe, J.; Keefe, S.; Humphrey and Mrs. Brataas introduced—

S. F. No. 2136: A bill for an act relating to elections; changing certain procedures and the effect of absentee ballots; amending Minnesota Statutes 1978, Section 207.05, Subdivision 1.

Referred to the Committee on Elections.

Mr. Rued introduced—

S. F. No. 2137: A bill for an act relating to the Knife Lake Improvement District in Kanabec County; authorizing Kanabec County to finance the cost of a certain improvement within the district.

Referred to the Committee on Local Government.

Messrs. Schaaf, Schmitz and Coleman introduced—

S. F. No. 2138: A bill for an act relating to elections; providing for special elections to fill vacancies in statutory city offices; amending Minnesota Statutes 1978, Sections 205.10; 205.17, Subdivision 1; and 412.02, Subdivision 2, and by adding a subdivision.

Referred to the Committee on Elections.

Mr. Willet introduced—

S. F. No. 2139: A bill for an act relating to communications; providing funds for the purchase of studio and production equipment by Northern Minnesota Public Television; appropriating money.

Referred to the Committee on Education.

Mr. Olhoft introduced—

S. F. No. 2140: A bill for an act relating to the city of Fergus Falls; providing for cooperative use of city solid waste by the city and the state welfare department; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Hanson introduced—

S. F. No. 2141: A bill for an act relating to historic sites; designating the Canadian National Depot in Warroad as an historic site; requiring notice of the Minnesota historical society when the state or a political subdivision of the state acquires certain property; amending Minnesota Statutes 1978, Section 138.59.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Sikorski introduced—

S. F. No. 2142: A bill for an act relating to state finances; providing for the return of surplus money in the general fund to the taxpayers; making an appropriation.

Referred to the Committee on Taxes and Tax Laws.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communications were received and referred to the committees indicated.

February 1, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment to the State Soil and Water Conservation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Neil Saxton, Route 1, Box 224, Fairmont, Martin County, has been appointed by me, effective February 8, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Agriculture and Natural Resources.)

Sincerely,  
Albert H. Quie, Governor

February 21, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. No. 285.

Sincerely yours,  
Albert H. Quie, Governor

February 21, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1980 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:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
285		346	February 21	February 21

Sincerely,  
Joan Anderson Growe,  
Secretary of State

**MESSAGES FROM THE HOUSE**

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1042 and 1257.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 21, 1980

**Mr. President:**

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 13: A Senate concurrent resolution relating to adjournment of the House of Representatives for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 21, 1980

**Mr. President:**

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

S. F. No. 768: A bill for an act relating to natural resources; requiring county board or land exchange board approval on the acquisition of wildlife lands by the commissioner of natural resources; amending Minnesota Statutes 1978, Section 97.481.

Senate File No. 768 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 21, 1980

Mr. Luther moved that the Senate do not concur in the amendments by the House to S. F. No. 768 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House.

**Mr. President:**

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

S. F. No. 550: A bill for an act relating to elections; regulating campaign financing; increasing certain expenditure limits; provid-

ing that a candidate's expenditure limit agreement is not binding unless agreements are signed by the candidate's opponents; amending Minnesota Statutes 1978, Sections 10A.25, Subdivision 2; and 10A.32, Subdivisions 3 and 3b.

Senate File No. 550 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned February 21, 1980

Mr. Keefe, S. moved that S. F. No. 550 be laid on the table. The motion prevailed.

Mr. President:

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

S. F. No. 1248: A bill for an act relating to guardianship; establishing criteria for the selection of guardians and conservators; amending Minnesota Statutes 1978, Section 525.544.

Senate File No. 1248 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned February 21, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S. F. No. 1248 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1248 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olson	Sillers
Ashbach	Frederick	Knoll	Perpich	Solon
Bang	Garty	Knutson	Peterson	Spear
Benedict	Gunderson	Laufenburger	Pillsbury	Stokowski
Bernhagen	Hughes	Lessard	Purfeerst	Stumpf
Brataas	Humphrey	Luther	Renneke	Ueland, A.
Chmielewski	Jensen	Merriam	Rued	Ulland, J.
Coleman	Keefe, J.	Nelson	Schaaf	Willet
Davies	Keefe, S.	Nichols	Setzepfandt	
Dieterich	Kirchner	Ogdahl	Sieloff	
Dunn	Kleinbaum	Olhoft	Sikorski	

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

**MESSAGES FROM THE HOUSE—CONTINUED**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 994, 1020, 1145, 1453 and 1684.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 21, 1980

**FIRST READING OF HOUSE BILLS**

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

H. F. No. 994: A bill for an act relating to courts; providing court commissioners with the judicial powers of a judge of the county court or the county municipal court; authorizing counties the option of abolishing the office of court commissioner; amending Minnesota Statutes 1978, Section 489.02 and Chapter 489, by adding a section.

Referred to the Committee on Judiciary.

H. F. No. 1020: A bill for an act relating to crimes; providing for admission into evidence of certain certificates of analysis.

Referred to the Committee on Judiciary.

H. F. No. 1145: A bill for an act relating to banks and banking; providing for implementation of certain statutes relating to electronic fund transfers; authorizing the commissioner of banks to adopt temporary rules; amending Minnesota Statutes 1978, Section 47.71.

Referred to the Committee on Commerce.

H. F. No. 1453: A bill for an act relating to retirement; authorizing payment of severance pay to retiring employees; validating past payments; amending Minnesota Statutes 1978, Section 356.24; and Minnesota Statutes, 1979 Supplement, Section 465.72.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1289, now in the Subcommittee on Bill Scheduling.

H. F. No. 1684: A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Virginia.

Referred to the Committee on Agriculture and Natural Resources.

**REPORTS OF COMMITTEES**

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1449: A bill for an act relating to St. Louis County; providing authority to negotiate public employees wages; amending Laws 1941, Chapter 423, Section 5, as amended.

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1674: A bill for an act relating to labor; exempting seamen from the fair labor standards act; amending Minnesota Statutes, 1979 Supplement, Section 177.23, Subdivision 7.

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

Page 3, line 8, before the period insert "*; the term "seaman" means a master of a vessel or any person subject to the authority, direction and control of the master including but not limited to pilots, sailors, engineers, radio operators, firemen, watchmen, pursers, surgeons, cooks and stewards, who is exempt from federal overtime standards under 29 U.S.C. Section 213(b) (6)*"

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1775: A bill for an act relating to workers' compensation; permitting the workers' compensation reinsurance association to incorporate; exempting the reinsurance association from taxation; providing for amendment to the reinsurance association plan of operation; making changes in rules, requirements and procedures affecting members of the reinsurance association; increasing temporary partial benefits; amending Minnesota Statutes 1978, Section 176.101, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 79.34; 79.35; 79.36; 79.37; and 79.38; repealing Minnesota Statutes, 1979 Supplement, Sections 79.41 and 79.42.

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

Page 1, lines 25 and 26, delete "79.42" and insert "79.40"

Page 2, delete lines 22 to 33 and insert: "*100 percent of the amount of ultimate loss in excess of the member's retention limit which is sustained in each loss occurrence as a result of one or more claims arising out of any single compensable event that occurs under chapter 176 in excess of on or after October 1, 1979. In determining ultimate loss the reinsurance association shall aggregate the actual loss amount paid by a member for all claims*"

*arising out of the single compensable event. In the case of occupational disease causing disablement on or after October 1, 1979, the disablement of each person shall be considered a single compensable event.*

*Retention limits shall be \$300,000 or \$100,000 at the option of the member, provided that \$300,000 and \$100,000 . Each limit shall be increased ; to"*

**Page 3, line 20, delete "a"**

**Page 3, line 21, delete "single loss occurrence" and insert "that event"**

**Page 3, line 28, delete "of"**

**Page 3, line 29, delete "occurrence" and insert "was incurred"**

**Page 3, line 31, strike the first "the" and insert "its"**

**Page 3, line 32, strike "itself"**

**Page 7, line 23, delete "shall" and insert "may"**

**Page 9, delete lines 16 and 17**

**Page 9, line 22, before the semicolon insert "*including but not limited to any third party action as subrogee to the rights of a member*"**

**Page 9, line 23, delete "intervention or"**

**Page 9, line 24, delete everything before "or" and insert "*third party action*"**

**Page 9, line 24, after "recovery" delete the comma**

**Page 10, lines 5 and 13, strike "79.42" and insert "79.40"**

**Page 10, line 33, before "The" insert "*Each member of the reinsurance association shall be bound by the plan of operation of the association.*"**

**Page 11, line 1, after "for" insert "*the economical, fair and non-discriminatory administration of the reinsurance association and for the prompt and efficient reimbursement of amounts due to members pursuant to section 79.34. In particular the plan shall provide for*"**

**Page 11, line 21, strike "provided in section 79.41"**

**Page 11, line 25, strike "79.42" and insert "79.40"**

**Page 13, delete section 6**

**Page 13, line 29, delete "Sections 1 to 5 are" and insert "*This act is*"**

**Page 13, line 30, delete "Section 6 is"**

**Page 13, delete line 31**

**Renumber the sections in sequence**

Amend the title as follows:

Page 1, line 9, delete everything before "amending"

Page 1, delete line 10

Page 1, line 11, delete "Subdivision 2;"

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1683: A bill for an act relating to state government; providing for certain historical memorials; providing an appropriation.

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1718: A bill for an act relating to historical interpretive centers; appropriating money.

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1812: A bill for an act relating to motor vehicles; authorizing the identification of certain tax exempt vehicles by use of removable plates or placards; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was re-referred

S. F. No. 1875: A bill for an act relating to commerce; providing for ownership rights in dies and molds under certain conditions.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1843: A bill for an act relating to transportation; establishing a state rail bank for abandoned rail lines; amending

Minnesota Statutes 1978, Chapter 222, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 174.03, Subdivision 4; 222.50, Subdivision 7; and 222.65.

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

Page 2, line 30, strike the period and insert a semicolon

Page 2, after line 30, insert:

*“(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and re-establishing by analytical triangulation the existing alignment of the in place track.”*

Page 3, line 16, delete “, lease, easement”

Page 3, line 26, after “right-of-way” insert “meets one or more of the following criteria”

Page 3, line 32, delete “of statewide”

Page 3, line 33, delete “significance”

Page 3, line 33, after “commodities” insert “and forest products”

Page 4, line 8, after “maintenance” insert “including control of weeds,”

Page 4, line 12, after the period, insert “The commissioner may also require that any existing railroad track that is included in the acquired right-of-way shall not be removed during the period the right-of-way is included in the state railbank.”

Page 4, after line 12, insert:

*“Subd. 3. [PUBLIC AND AGENCY PARTICIPATION.] If the commissioner desires to acquire, dispose of or utilize any right-of-way which he is authorized to acquire or has acquired pursuant to authorization under subdivision 2, he shall publish a notice of the proposed action in the state register and in at least one newspaper of general circulation in the area where the right-of-way is located. If any person objects in writing to the proposed action within 30 days of publication of notice the commissioner shall proceed in the manner provided for a contested case. If no written objection is received the commissioner may take the proposed action only after holding a public meeting to seek public comment on the action. At least one hearing or meeting required under this subdivision shall be held in the area where the right-of-way is located.”*

Page 4, line 14, delete “may dispose of” and insert “shall lease”

Page 4, line 16, after “2” insert “in accordance with a fee schedule to be developed by the commissioner in consultation with the advisory task force established in section 222.65”

Page 4, line 19, delete "or utilized under" and insert "according to"

Page 4, line 19, delete "3" and insert "4"

Page 4, line 27, delete "3" and insert "4"

Page 5, delete lines 13 to 21

Renumber the subdivisions in sequence

Page 6, line 4, after "development," insert "natural resources,"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1887: A bill for an act relating to taxation; redefining "family farm corporation" for purposes of the agricultural property tax law; amending Minnesota Statutes 1978, Section 273.111, Subdivision 3.

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

Page 1, line 22, after "corporation" insert "as defined in section 500.24"

Page 2, line 3, strike the language after the period

Page 2, strike lines 4 and 5

Page 2, lines 8 to 15, delete the new language

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1719: A bill for an act relating to taxation; providing that payments mailed by or on settlement day but received later shall be treated as payments received by settlement day; modifying some provisions to take account of the new treatment of payments mailed by or on settlement day and received later; amending Minnesota Statutes 1978, Sections 276.09; 276.10; and 276.11.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.] On the ~~last fifth~~ day of ~~February~~ ~~March~~, ~~May~~ ~~June~~, and ~~October~~ ~~November~~, of each year, the county treasurer shall make full settlement with the county auditor of ~~his~~ all re-

ceipts and collections collected by him for all purposes, from the date of the last settlement up to and including each day mentioned, and. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in such the form as prescribed by the state auditor may prescribe. At each settlement the treasurer shall make complete returns of his collections the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 2. Minnesota Statutes 1978, Section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.] On the last settlement day of February in March, May June, and October November, of each year, the county auditor and county treasurer shall make distribution of distribute all undistributed funds remaining in the treasury, apportioning the same them, as provided by law, and placing the same them to the credit of the state, town, city, or school district, special district and each county fund. Within 20 days after such the distribution is completed, the county auditor shall make a report thereof of it to the state auditor, in such the form as prescribed by the state auditor may prescribe. The county auditor shall issue his warrant for the payment of any moneys remaining in the county treasury to the credit of the state, town, city, or school district, or special districts on application of the persons entitled to receive the same them.

Sec. 3. Minnesota Statutes 1978, Section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.] As soon as practical after each settlement in February March, May June, and October November the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, or school district, or special district, on the warrant of the county auditor, all moneys received by him receipts arising from taxes levied and collected 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, or school district, or special district to which such payment was made, who. The clerk shall preserve the same receipt in his office. Upon written request of the state, a municipal corporation or other public body, the county treasurer is authorized and directed to shall, to the extent practicable, make such partial payments of amounts collected periodically in advance of final settlements as may be practicable the next settlement and distribution. Accompanying each payment to the state treasurer or treasurer of

any town, city, or school district 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 such *the* taxes and any penalties thereon. The county treasurer shall upon written request of the state, a municipal corporation or other public body pay at least 70 percent of the estimated collection within 30 days after *the* settlement date. 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. 4. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 2, delete "providing that payments"

Page 1, delete lines 3 to 7 and insert "changing settlement dates for property taxes; amending"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1675: A bill for an act relating to taxation; clarifying the provisions of the wetland credit for property tax purposes; amending Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivisions 2 and 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 272.02, Subdivision 1, is amended to read:

272.02 [EXEMPT PROPERTY.] Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025, 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 charities;
- (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 de-

scribed in section 272.03, subdivision 1 (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.

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 lawful, 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 7 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.*

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 1, is amended to read:

**273.115 [STATE PAID WETLANDS CREDIT.]** Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of wetlands exempt from property taxation pursuant to section 272.02, subdivision 1, clause (16), by an amount equal to three-fourths of one percent of the average level of estimated market value of an acre of tillable land in the township or city or unorganized territory in which the qualifying wetland is located, multiplied by the number of acres of wetlands he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the wetlands for any parcel he owns which is contiguous to the parcel containing the wetlands .

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 2, is amended to read:

Subd. 2. The total amounts of credits allowed pursuant to subdivision 1 and the total amounts of revenue lost as a result of the exemption provided in section 272.02, subdivision 1, clause (16), shall be submitted by the county auditor to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. The amount of revenue lost as a result of the exemption shall be computed each year by applying the current mill rates of the taxing jurisdictions in which the wetlands are located to the assessed valuation of the wetlands for purposes of taxes levied in 1979, payable in 1980. Provided that payment to the county for lost revenue shall not be less than the revenue which would have been received in taxes if the wetlands had an assessed value of \$20 \$5 per acre. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 5, is amended to read:

Subd. 5. In order to receive the wetlands credit provided in this section, an owner of wetlands shall agree not to drain the wetlands during the year for which he receives the credit. *To initially qualify for the credit for taxes levied in 1980, payable in 1981, the agreement shall be made by June 30, 1980; to initially qualify for*

*the credit for taxes levied subsequent to 1980, the agreement shall be made by a date to be set by the county board. After initial qualification, an owner of wetlands shall not be required to re-apply to receive the credit for subsequent years. The agreement shall remain in effect until the wetlands are drained. The credit shall not be available (a) for any year prior to which a timely agreement has been made or (b) for any year in which the owner drains the wetlands. The local assessor shall certify that each land owner receiving the credit has so agreed.*

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 6, is amended to read:

*Subd. 6. The amounts amount of the wetlands credit and the tax that would have been due but for the exemption in section 272.02, subdivision 1, clause (16) shall be reflected on the property tax statement of each eligible taxpayer.*

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 273.115, is amended by adding a subdivision to read:

*Subd. 7. The total credits allowed by subdivision 1 shall be deducted from the gross property tax before determination of the homestead credit provided by section 273.13, subdivisions 6 and 7 and the taconite homestead credit provided by section 273.135.*

Sec. 7. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.116] [STATE PAID NATIVE PRAIRIE CREDIT.] *Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of native prairie exempt from property taxation pursuant to section 272.02, subdivision 1, clause (17), by an amount equal to one and one-half percent of the average level of estimated market value of an acre of tillable land in the township, city or unorganized territory in which the qualifying native prairie is located, multiplied by the number of acres of native prairie he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the native prairie for any parcel he owns which is contiguous to the parcel containing the native prairie.*

*Subd. 2. The total amounts of credits allowed pursuant to subdivision 1 and the total amounts of revenue lost as a result of the exemption provided in section 272.02, subdivision 1, clause (17), shall be submitted by the county auditor to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. The amount of revenue lost as a result of the exemption shall be computed each year by applying the current mill rates of the taxing jurisdictions in which the native prairie is located to the assessed valuation of the native prairie for purposes of taxes levied in 1979, payable in 1980. Provided that payment to the county for lost revenue shall not be less than the revenue which would have been received in taxes if the native prairie had an assessed value of \$5 per acre. The commissioner of revenue shall review such certifi-*

*cations to determine their accuracy. He may make any changes in the certification he may deem necessary or return a certification to the county auditor for corrections.*

*Subd. 3. Payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the exemption provided in section 1, and the credit provided in this section.*

*Subd. 4. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments provided in subdivision 3.*

*Subd. 5. In order to receive the native prairie credit provided in this section, an owner of native prairie shall agree to preserve the prairie in its natural state during the year for which he receives the credit. To initially qualify for the credit for taxes levied in 1980, payable in 1981, the agreement shall be made by June 30, 1980; to initially qualify for the credit for taxes levied subsequent to 1980, the agreement shall be made by a date to be set by the county board. After initial qualification, an owner of native prairie shall not be required to reapply to receive the credit for subsequent years. The agreement shall remain in effect until the native prairie is mowed or substantially altered. The credit shall not be available (a) for any year prior to which a timely agreement has been made or (b) for any year in which the owner mows or otherwise substantially alters the character of the native prairie. The local assessor shall certify that each land owner receiving the credit has so agreed.*

*Subd. 6. The amount of the native prairie credit shall be reflected on the property tax statement of each eligible taxpayer.*

*Subd. 7. The total credits allowed by subdivision 1 shall be deducted from the gross property tax before determination of the homestead credit provided by section 273.13, subdivisions 6 and 7 and the taconite homestead credit provided by section 273.135.*

*Sec. 8. [EFFECTIVE DATE.] This act is effective for taxes levied in 1980 and subsequent years and payable in 1981 and subsequent years."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing a property tax exemption and credit for native prairie; providing for payment to the county for revenue lost by the exemption and credit; appropriating money;"

Page 1, line 4, after "amending" insert "Minnesota Statutes 1978, Chapter 273, by adding a section; and"

Page 1, line 5, delete "Section" and insert "Sections 272.02, Subdivision 1;"

Page 1, line 5, after "Subdivisions" insert "1," and after "2" insert " , 5,"

Page 1, line 5, delete "and" and after "6" insert ", and by adding a subdivision"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1457: A bill for an act relating to transportation; providing for a transportation board; providing for transfer of certain duties, powers and functions of the public service commission and the commissioner of transportation to the transportation regulation board; regulating railroads and other common carriers of persons or property for hire; providing penalties; appropriating funds; amending Minnesota Statutes 1978, Sections 15A.081, Subdivision 1; 174.02, Subdivision 4; 174.03, Subdivision 2; 174.10, Subdivisions 1, 3, 4; 218.011, Subdivision 7; 218.021; 218.025; 218.031, Subdivisions 1, 6, 8, 10; 218.041; 218.071; 219.03; 219.14; 219.23; 219.24; 219.25; 219.27; 219.28; 219.383; 219.39; 219.40; 219.41; 219.42; 219.43; 219.46, Subdivision 7; 219.47; 219.51; 219.52; 219.54; 219.55; 219.562, Subdivision 3; 219.65; 219.681; 219.70; 219.71; 219.741; 219.85; 219.86; 219.87; 221.011, Subdivisions 2b, 15, 22; 221.021; 221.031, Subdivision 1; 221.041; 221.051; 221.061; 221.071; 221.081; 221.101; 221.121; 221.131; 221.141, Subdivision 2; 221.151; 221.161; 221.171; 221.181; 221.221; 221.261; 221.271; 221.281; 221.291, Subdivision 1; 221.293; 221.295; 221.296, Subdivisions 2, 3, 4, 8; 221.55; 221.68; repealing Minnesota Statutes 1978, Section 219.742.

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

Page 4, line 30, delete "HEARING" and insert "HEARINGS.]"

Page 4, delete lines 31 to 33 and insert "*All hearings required to be conducted by the transportation regulation board shall be conducted pursuant to sections 15.041 to 15.052.*"

Page 5, delete lines 1 to 21

Page 27, after line 29, insert:

*"(11) Direct the repair, reconstruction or replacement of any inadequate or unsafe trackage, structure or facility."*

Page 46, line 2, strike "1," and insert "1c"

Page 46, line 3, strike "paragraph 4a"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1658: A bill for an act relating to intoxicating liquor;

permitting holders of on-sale wine licenses to sell intoxicating malt beverages; amending Minnesota Statutes 1978, Section 340.11, Subdivision 20.

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

Page 1, lines 12 and 13, delete the new language

Page 2, line 14, delete the new language

Page 2, after line 17, insert:

*"The holder of an on-sale license issued pursuant to this clause shall be authorized to sell intoxicating malt beverages if the requirement of obtaining a license to sell non-intoxicating malt beverages pursuant to clause (d) of this section is met.*

*(d) The holder of an on-sale wine license issued pursuant to this chapter who is also licensed to sell non-intoxicating malt liquor at on-sale pursuant to section 340.01 may make on-sales of intoxicating malt beverages without obtaining an additional license."*

Amend the title as follows:

Page 1, line 3, after "of" insert "both"

Page 1, line 3, before "licenses" insert "and on-sale non-intoxicating malt beverages"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1741: A bill for an act relating to motor vehicles; exempting certain retail installment contracts from the Motor Vehicle Installment Sales Act; amending Minnesota Statutes 1978, Section 168.66, Subdivision 4.

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

Page 1, line 14, delete everything after the first "use"

Page 1, line 15, delete the new language

Page 2, line 2, after the period insert "*"Retail installment contract" does not include an agreement, entered into in this state, evidencing an installment sale of a motor vehicle purchased primarily for use in business. For purposes of this subdivision, "business" means a commercial or industrial enterprise which is carried on for the purpose of active or passive investment or profit.*"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1630: A bill for an act relating to the City of Minneapolis; authorizing the establishment of a detached banking facility.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1659: A bill for an act relating to intoxicating liquor; permitting municipalities to authorize the sale of intoxicating liquor at arenas and sports complexes in certain cases; amending Minnesota Statutes 1978, Section 340.11, by adding a subdivision.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1661: A bill for an act relating to intoxicating liquor; removing limitations on the number of on-sale licenses which cities may issue; permitting counties and cities to set off-sale license fees; amending Minnesota Statutes 1978, Sections 340.11, Subdivisions 3a, 5a, 7a, 10a, 13, 14, and 20; 340.353, Subdivision 5; Minnesota Statutes, 1979 Supplement, Section 340.11, Subdivisions 11 and 11b; and repealing Minnesota Statutes 1978, Section 340.11, Subdivisions 8 and 18.

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

Page 5, line 32, before the period, insert "*subject to the following limitations: up to \$300 for a veterans organization with a membership of 200 or less; up to \$500 for a veterans organization with a membership of between 201 and 500; up to \$650 for a veterans organization with a membership of between 501 and 1,000; up to \$800 for a veterans organization with a membership of between 1,001 and 2,000; up to \$1,000 for a veterans organization with a membership between 2,000 and 4,000; up to \$2,000 for a veterans organization with a membership of between 4,001 and 6,000; and \$3,000 for a veterans organization with a membership of more than 6,000*"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1289: A bill for an act relating to retirement; authorizing payment of severance pay to retiring employees; validating past payments; amending Minnesota Statutes 1978, Sections 356.24 and 465.72.

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

Page 2, delete section 2 and insert:

“Sec. 2. Minnesota Statutes, 1979 Supplement, Section 465.72, is amended to read:

465.72 [SEVERANCE PAY.] Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, all counties, cities, townships and school districts are hereby authorized and empowered to pay severance pay to all of its employees and to establish, prescribe and promulgate provisions, rules and regulations for the payment of such severance pay upon leaving employment *on or* prior to the normal retirement date. Such severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits, and shall be paid in a manner mutually agreeable to the employee and employer over a period not to exceed five years from *retirement or* termination of employment. In the event that a *retired or* terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased’s estate. In no event shall severance pay provided for an employee except a teacher as defined in section 179.63, subdivision 13, leaving employment exceed an amount equivalent to 100 days pay. Severance pay for a teacher as defined in section 179.63, subdivision 13, shall not exceed an amount equivalent to one year of pay.”

Amend the title as follows:

Page 1, delete line 5 and insert “Section 356.24; and Minnesota Statutes, 1979 Supplement, Section 465.72.”

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1707: A bill for an act relating to towns; requiring a majority of voters to permit town zoning; requiring notice of changes; amending Minnesota Statutes 1978, Sections 366.12 and 366.15.

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

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1978, Section 366.11, is amended to read:

366.11 [BALLOTS.] There shall be printed on the ballots for the election the following:

“Shall the board of supervisors adopt **building and zoning and related regulations and restrictions?**

Yes.....

No.....”

The voters shall place a cross-mark in one of the above squares to express their choice. The ballot shall be cast and counted during the same hours and in the same manner as ballots for the election of town officers of the town and, except as herein expressly provided, such meeting and election shall be subject to all the laws of this state regulating town meetings and elections of town officers in the town."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "zoning;" insert "clarifying the ballot question;"

Page 1, line 5, after "Sections" insert "366.11;"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1736: A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1438: A bill for an act relating to towns; providing for the date and notice of town meetings; amending Minnesota Statutes 1978, Section 365.51.

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

Page 2, after line 13, insert:

*"Sec. 2. This act is effective the day following final enactment."*

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S. F. No. 1438 was read the second time.

S. F. Nos. 1449, 1674, 1775, 1812, 1875, 1843, 1887, 1719, 1675, 1658, 1741, 1630, 1659, 1661, 1289, 1707 and 1736 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**MOTIONS AND RESOLUTIONS**

Mr. Schaaf moved that the name of Mr. Nelson be added as co-author to S. F. No. 2081. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Stern be added as co-author to S. F. No. 2088. The motion prevailed.

Mr. Schaaf moved that the name of Mr. Nelson be added as co-author to S. F. No. 2091. The motion prevailed.

Mr. Penny moved that the name of Mr. Wegener be stricken and Mr. Stern be added as co-author to S. F. No. 2067. The motion prevailed.

Mr. Barrette moved that the name of Mrs. Knaak be added as co-author to S. F. No. 2073. The motion prevailed.

Mr. Solon moved that the name of Mr. Nelson be added as co-author to S. F. No. 2075. The motion prevailed.

Mr. Hughes moved that the name of Mr. Merriam be added as co-author to S. F. No. 1573. The motion prevailed.

Mr. Davies moved that the name of Mr. Nelson be added as co-author to S. F. No. 1699. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1848. The motion prevailed.

Mr. Keefe, J. moved that the name of Mr. Setzepfandt be added as co-author to S. F. No. 1910. The motion prevailed.

Mr. Keefe, J. moved that the name of Mr. Setzepfandt be added as co-author to S. F. No. 1911. The motion prevailed.

Mr. Bang moved that S. F. No. 2055 be withdrawn from the Committee on Health, Welfare and Corrections and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Setzepfandt moved that S. F. No. 1289 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Governmental Operations. The motion prevailed.

**CALENDAR**

S. F. No. 1665: A bill for an act relating to public contracts; providing for progress payments; authorizing alternative means of securing full performance; amending Minnesota Statutes 1978, Sections 161.322; 162.04; 162.10; and 429.041, Subdivision 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knoll	Perpich	Spear
Ashbach	Gunderson	Knutson	Peterson	Stokowski
Bang	Hughes	Laufenburger	Pillsbury	Stumpf
Bernhagen	Humphrey	Lessard	Purfeerst	Tennessee
Brataas	Jensen	McCutcheon	Renneke	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Rued	Ulland, J.
Coleman	Keefe, S.	Nichols	Schaaf	Willet
Dunn	Kirchner	Ogdahl	Sikorski	
Engler	Kleinbaum	Olhoft	Sillers	
Frederick	Knaak	Olson	Solon	

Those who voted in the negative were:

Davies	Luther	Merriam	Setzepfandt	Sieloff
Dieterich				

So the bill passed and its title was agreed to.

S. F. No. 1611: A bill for an act relating to local government; establishing the Moorhead-Clay County area redevelopment authority; terminating the existence of the Moorhead local redevelopment agency; granting certain powers to the city of Moorhead and the county of Clay.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olhoft	Sikorski
Ashbach	Frederick	Knoll	Olson	Sillers
Bang	Gearty	Knutson	Perpich	Solon
Benedict	Gunderson	Laufenburger	Peterson	Spear
Bernhagen	Hughes	Lessard	Pillsbury	Stokowski
Brataas	Humphrey	Luther	Purfeerst	Stumpf
Chmielewski	Jensen	McCutcheon	Renneke	Tennessee
Coleman	Keefe, J.	Merriam	Rued	Ueland, A.
Davies	Keefe, S.	Nelson	Schaaf	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Willet
Dunn	Kleinbaum	Ogdahl	Sieloff	

So the bill passed and its title was agreed to.

S. F. No. 1729: A bill for an act relating to crimes; eliminating the power of a sentencing court to stay the revocation of the driver's license of a person convicted of driving, operating or being in physical control of a motor vehicle while under the influence of alcohol or controlled substances or a combination thereof, or of driving after cancellation, suspension, or revocation of his driver's license; amending Minnesota Statutes 1978, Sections 169.121, Subdivision 5; and 609.135, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olson	Solon
Ashbach	Frederick	Knoll	Perpich	Spear
Bang	Gearty	Laufenburger	Peterson	Stokowski
Benedict	Gunderson	Lessard	Pillsbury	Stumpf
Bernhagen	Hughes	Luther	Purfeerst	Tennessee
Brataas	Humphrey	McCutcheon	Renneke	Ulland, J.
Chmielewski	Jensen	Merriam	Rued	Willet
Coleman	Keefe, J.	Nelson	Schaaf	
Davies	Keefe, S.	Nichols	Setzpfandt	
Dieterich	Kirchner	Ogdahl	Sikorski	
Dunn	Kleinbaum	Olhoft	Sillers	

Messrs. Knutson, Sieloff and Ueland, A. voted in the negative.

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

S. F. No. 1652, which the committee recommends to pass.

S. F. No. 64, which the committee reports progress, after the following motion:

The question was taken on the adoption of the recommendation to pass S. F. No. 64.

The roll was called, and there were yeas 14 and nays 40, as follows:

Those who voted in the affirmative were:

Davies	Keefe, S.	Olhoft	Sieloff	Stumpf
Dieterich	Knoll	Perpich	Solon	Tennessee
Dunn	McCutcheon	Schaaf	Spear	

Those who voted in the negative were:

Anderson	Engler	Kirchner	Nelson	Rued
Ashbach	Frederick	Kleinbaum	Nichols	Setzpfandt
Bang	Gearty	Knaak	Ogdahl	Sikorski
Benedict	Gunderson	Knutson	Olson	Sillers
Bernhagen	Hughes	Laufenburger	Peterson	Stokowski
Brataas	Humphrey	Lessard	Pillsbury	Ulland, A.
Chmielewski	Jensen	Luther	Purfeerst	Ulland, J.
Coleman	Keefe, J.	Merriam	Renneke	Willet

The motion did not prevail. S. F. No. 64 was then progressed.

S. F. No. 1722, which the committee recommends to pass with the following amendment offered by Mr. Renneke:

Page 1, line 16, strike "or any intoxicating, spiritous or"

Page 1, line 17, strike "fermented liquor of any kind whatever,"

Page 1, line 20, strike the semicolon

Page 1, line 22, strike “; provided, that” and insert “. Any person who brings, sends, or in any manner causes to be introduced into any state correctional facility or within or upon the grounds belonging to or land controlled by the facility, any intoxicating or alcoholic liquor or malt beverage of any kind without the consent of the chief executive officer thereof, shall be guilty of a gross misdemeanor.”

The motion prevailed. So the amendment was adopted.

S. F. No. 1240, which the committee reports progress, subject to the following motions:

Mr. Willet moved to amend S. F. No. 1240 as follows:

Page 1, line 26, delete “department” and insert “commissioner”

Page 2, line 1, delete “legislature” and insert “condemnation is”

Page 2, line 1, delete “authorizes the”

Page 2, delete line 2 and insert “authorized by law.”

Page 2, line 5, delete “or change”

Page 2, line 13, delete “proposed”

Page 2, line 13, after “in the” insert “intended”

Page 2, line 16, delete “shall” and insert “will”

Page 2, line 23, delete “payment of” and insert “paying”

Page 2, line 26, delete “with” and insert “that contains”

Page 4, line 9, after “not” insert “both”

Page 4, line 10, delete “the same” and insert “a”

Page 6, line 23, strike “administration” and insert “natural resources”

The motion prevailed. So the amendment was adopted.

Mr. Willet then moved to amend S. F. No. 1240 as follows:

Page 6, line 23, reinstate “ten percent”

Page 6, line 24, reinstate “above”

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S. F. No. 1240 as follows:

Page 5, after line 10, insert a section to read:

“Sec. 8. [VIOLATIONS.] *If the state acquires any land for natural resources purposes in violation of any of the provisions of sections 5 to 7, the landowner may maintain an action against the commissioner of natural resources for any damages suffered. However, no title to land purchased for natural resources purposes will be invalid as a result of such violations.*”

Page 9, line 25, delete “7” and insert “8”

Page 9, line 26, delete “8 to 14” and insert “9 to 15”

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

S. F. No. 1240 was then progressed.

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

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Setzepfandt moved that H. F. No. 1453 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Governmental Operations. The motion prevailed.

**SUSPENSION OF RULES**

Mr. Coleman moved that the rules of the Senate be so far suspended as to allow recognition of the U.S.A. Olympic Hockey Team. The motion prevailed.

The Senate offered its congratulations.

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, February 28, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTY-SECOND DAY

St. Paul, Minnesota, Thursday, February 28, 1980

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

## CALL OF THE SENATE

Mr. Hanson imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Engler	Knoll	Peterson	Stokowski
Bang	Frederick	Knutson	Rued	Strand
Barrette	Gunderson	Luther	Schaaf	Stumpf
Benedict	Hanson	McCutcheon	Schmitz	Tennessee
Bernhagen	Hughes	Menning	Setzpfandt	Ueland, A.
Brataas	Jensen	Merriam	Sieloff	Ueland, J.
Chmielewski	Johnson	Moe	Sikorski	Wegener
Coleman	Keefe, S.	Nelson	Sillers	Willet
Davies	Kirchner	Ogdahl	Spear	
Dieterich	Kleinbaum	Olson	Staples	
Dunn	Knaak	Perpich	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Michael T. Kartes.

## OATH OF OFFICE

The newly elected Senator, Mr. Ben Omann from the 16th District, subscribed to the oath of office as administered by the Honorable Walter F. Rogosheske, Justice of the Supreme Court.

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

Anderson	Frederick	Knutson	Perpich	Staples
Ashbach	Gearty	Lesard	Peterson	Stern
Bang	Gunderson	Luther	Pillsbury	Stokowski
Barrette	Hanson	McCutcheon	Renneke	Strand
Benedict	Hughes	Menning	Rued	Stumpf
Bernhagen	Jensen	Merriam	Schaaf	Tennessee
Brataas	Johnson	Moe	Schmitz	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Setzpfandt	Ueland, J.
Coleman	Keefe, S.	Nichols	Sieloff	Wegener
Davies	Kirchner	Ogdahl	Sikorski	Willet
Dieterich	Kleinbaum	Olhofs	Sillers	
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Omann	Spear	

The President declared a quorum present.

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

#### MEMBERS EXCUSED

Messrs. Humphrey, Laufenburger, Penny, Purfeerst and Vega were excused from the Session of today. Mr. Pillsbury was excused from the Session of today until 11:00 o'clock a.m. Mr. Knutson was excused from the Session of today at 11:10 o'clock a.m. Mr. Stern was excused from the Session of today at 11:45 o'clock a.m.

#### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Tennessen; Schaaf; Knutson; Keefe, J. and Spear introduced—

S. F. No. 2143: A bill for an act relating to crimes; establishing the crime of commercial bribery; prescribing penalties.

Referred to the Committee on Judiciary.

Messrs. Tennessen, Spear and Knutson introduced—

S. F. No. 2144: A bill for an act relating to crimes; repealing the laws relating to fornication and consensual sodomy; repealing Minnesota Statutes 1978, Sections 609.293 and 609.34.

Referred to the Committee on Judiciary.

Mr. Laufenburger introduced—

S. F. No. 2145: A bill for an act relating to peace officers; altering membership in the board of peace officer standards and training to include mayors or city council members from municipalities outside the metropolitan area; amending Minnesota Statutes, 1979 Supplement, Section 626.841.

Referred to the Committee on Governmental Operations.

Messrs. Dieterich, Knoll, Solon and Mrs. Knaak introduced—

S. F. No. 2146: A bill for an act relating to public welfare; providing that certain relatives of children receiving aid to families with dependent children are not responsible for contributions; amending Minnesota Statutes 1978, Section 256.87, Subdivision 1.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Setzepfandt, Nichols and Sikorski introduced—

S. F. No. 2147: A bill for an act relating to courts; providing

senior citizen priority on the civil calendar; amending Minnesota Statutes 1978, Section 546.07.

Referred to the Committee on Judiciary.

Messrs. Keefe, S.; Merriam; Spear and Mrs. Stokowski introduced—

S. F. No. 2148: A bill for an act relating to education; requiring a school board to grant an extended leave of absence to certain teachers; eliminating the requirement of certain reports for denials of the leaves; amending Minnesota Statutes 1978, Section 125.60, Subdivision 7; and Minnesota Statutes, 1979 Supplement, Section 125.60, Subdivision 2; repealing Minnesota Statutes 1978, Section 125.60, Subdivision 2a.

Referred to the Committee on Education.

Mr. Sikorski introduced—

S. F. No. 2149: A bill for an act relating to juveniles; amending criteria for reference to adult court; amending Minnesota Statutes 1978, Section 260.125, Subdivision 2.

Referred to the Committee on Judiciary.

Mr. Sikorski introduced—

S. F. No. 2150: A bill for an act relating to children; increasing parental liability for damage done by children; amending Minnesota Statutes 1978, Section 540.18, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Dieterich; Keefe, J.; Keefe, S. and Perpich introduced—

S. F. No. 2151: A bill for an act relating to public welfare; exempting certain payments from consideration when determining levels of general assistance; amending Minnesota Statutes 1978, Section 256D.06, by adding a subdivision.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Luther introduced—

S. F. No. 2152: A bill for an act relating to state lands; authorizing conveyance of certain parcels of land in the city of Brooklyn Center.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Luther introduced—

S. F. No. 2153: A bill for an act relating to local government;

clarifying basis for certain sewer charges; amending Minnesota Statutes 1978, Section 444.075, Subdivision 3.

Referred to the Committee on Local Government.

Messrs. Hughes and Stumpf introduced—

S. F. No. 2154: A bill for an act relating to game and fish; prohibiting the sale or use of leghold traps in the territory included in Ramsey County; providing penalties.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Stumpf and Sikorski introduced—

S. F. No. 2155: A bill for an act relating to juveniles; changing procedures with regard to detention and disposition; amending Minnesota Statutes 1978, Sections 260.172, Subdivision 4, and by adding a subdivision; 260.185, Subdivision 4; and 260.191, Subdivision 2.

Referred to the Committee on Judiciary.

Mr. Stumpf introduced—

S. F. No. 2156: A bill for an act relating to Ramsey County; simplifying the numbering of the county code; amending Laws 1974, Chapter 435, Articles I to IV, as amended.

Referred to the Committee on Local Government.

Messrs. Engler, Setzepfandt, Chmielewski, Bernhagen and Rued introduced—

S. F. No. 2157: A bill for an act relating to taxation; motor vehicle, excise; providing a credit on the excise tax for the value of a motor vehicle destroyed in an accident in certain transactions; amending Minnesota Statutes 1978, Section 297B.01, Subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Mr. Engler introduced—

S. F. No. 2158: A bill for an act relating to taxation; real property; providing a credit for certain property along wild and scenic rivers; appropriating money; amending Minnesota Statutes 1978, Chapter 273, by adding a section.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Engler, Sieloff and Bernhagen introduced—

S. F. No. 2159: A bill for an act relating to taxation; property;

requiring property tax refunds be claimed on the income tax return; amending Minnesota Statutes 1978, Sections 290A.06 and 290A.07, Subdivision 2; repealing Minnesota Statutes 1978, Section 290A.07, Subdivisions 3 and 4.

Referred to the Committee on Taxes and Tax Laws.

Mr. Engler introduced—

S. F. No. 2160: A bill for an act relating to crimes; appropriating money for the investigation of narcotics offenses; amending Minnesota Statutes, 1979 Supplement, Section 299C.065, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Luther; Keefe, J. and Sikorski introduced—

S. F. No. 2161: A bill for an act relating to financial institutions; authorizing examinations of certain bank holding companies; providing for the institution of cease and desist proceedings and the issuance of temporary orders; amending Minnesota Statutes 1978, Section 46.24; and Minnesota Statutes, 1979 Supplement, Section 46.04.

Referred to the Committee on Commerce.

Messrs. Solon and Ulland, J. introduced—

S. F. No. 2162: A bill for an act relating to retirement; Duluth police; definition of "spouse" for purposes of survivor benefits; amending Laws 1953, Chapter 91, Section 1, Subdivision 7, as amended.

Referred to the Committee on Governmental Operations.

Mr. Olhofft introduced—

S. F. No. 2163: A bill for an act relating to public safety; regulating boilers, other apparatus and their operators; providing penalties; amending Minnesota Statutes 1978, 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; 183.52; 183.53; 183.54; 183.545; 183.56; 183.57; 183.59; 183.60; 183.61; 183.62; and Chapter 183, by adding sections; repealing Minnesota Statutes 1978, Section 183.39, Subdivision 2.

Referred to the Committee on Commerce.

Messrs. Engler and Rued introduced—

S. F. No. 2164: A bill for an act relating to local government; providing for the financial reports of certain municipal hospitals

and nursing homes; amending Minnesota Statutes, 1979 Supplement, Sections 471.697, Subdivision 1; and 471.698, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Engler; Luther; Gunderson; Ulland, J. and Dunn introduced—

S. F. No. 2165: A bill for an act relating to natural resources; appropriating money for a demonstration project to utilize sewage sludge in forest management.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Keefe, S. and Gearty introduced—

S. F. No. 2166: A bill for an act relating to the city of Minneapolis; authorizing the creation of an economic development and redevelopment agency or department.

Referred to the Committee on Local Government.

Mr. Schaaf introduced—

S. F. No. 2167: A bill for an act relating to public safety; providing for fire alarm and sprinkler systems in schools.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S. F. No. 2168: A bill for an act relating to historic sites; designating an additional historic site; amending Minnesota Statutes 1978, Section 138.56, by adding a subdivision.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Dieterich, Coleman, Schaaf and Ogdahl introduced—

S. F. No. 2169: A bill for an act relating to metropolitan government; providing for legal services to the metropolitan council and metropolitan agencies; amending Minnesota Statutes 1978, Sections 8.06; 473.129, Subdivisions 2 and 3; and 473.141, Subdivision 13.

Referred to the Committee on Governmental Operations.

Mr. McCutcheon introduced—

S. F. No. 2170: A bill for an act relating to taxation; providing adjustments to property tax refund due to granting of abatements on claimant's homestead; amending Minnesota Statutes 1978,

Sections 290A.11, by adding a subdivision; and 375.192, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Merriam, Gunderson, Dunn, Humphrey and Anderson introduced—

S. F. No. 2171: A bill for an act relating to education; authorizing the council on quality education to fund certain programs for adults; appropriating money.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S. F. No. 2172: A bill for an act relating to the Moose Lake-Windemere Sewer District; definitions; board membership and compensation; powers; amending Laws 1974, Chapter 400, Sections 3, Subdivisions 5 and 12; 4, Subdivisions 2 and 9; and 8, by adding a subdivision.

Referred to the Committee on Local Government.

Messrs. Tennesen, Knoll, Spear and Knutson introduced—

S. F. No. 2173: A bill for an act relating to courts; Hennepin and Ramsey county district courts, juvenile divisions; authorizing appointment of district court judges to hear cases arising under the juvenile court act for terms up to six years; amending Minnesota Statutes 1978, Section 260.019, Subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Penny, Olhoff, Luther, Gunderson and Mrs. Knaak introduced—

S. F. No. 2174: A resolution memorializing the President and Congress to take all actions necessary to effect changes in regulations of the Department of Health, Education, and Welfare so that physician visits to medically stable residents of certain health care facilities are required only quarterly or semi-annually.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Sikorski introduced—

S. F. No. 2175: A bill for an act relating to juveniles; requiring notice to noncustodial parents of filing of petitions for dependency, delinquency, neglect, or neglected and in foster care; amending Minnesota Statutes 1978, Sections 260.135, Subdivision 2; and 260.251, Subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Merriam, Gunderson, Peterson, Hughes and Barrette introduced—

S. F. No. 2176: A bill for an act relating to education; requiring school districts to develop a policy and procedures to minimize chemical use problems; appropriating money.

Referred to the Committee on Education.

Messrs. Purfeerst; Ueland, A. and Keefe, S. introduced—

S. F. No. 2177: A bill for an act relating to unemployment compensation; restoring eligibility to certain employees of Minnesota school for the deaf and Minnesota braille and sight saving school; amending Minnesota Statutes 1978, Section 268.08, Subdivision 6.

Referred to the Committee on Employment.

Mr. Stumpf introduced—

S. F. No. 2178: A bill for an act relating to local government in Ramsey county; providing for the membership and dues of the Ramsey county league of local governments; amending Laws 1963, Chapter 728, Section 1, as amended.

Referred to the Committee on Local Government.

Mr. Stumpf introduced—

S. F. No. 2179: A bill for an act relating to the Valley Branch Watershed District; providing for representation of Ramsey County on the board of managers for the Valley Branch Watershed District.

Referred to the Committee on Local Government.

Mr. Stumpf introduced—

S. F. No. 2180: A bill for an act relating to highway traffic regulations; requiring certain vehicles operated at a speed of 25 miles per hour or less to display flashing warning lights while traveling on certain highways; amending Minnesota Statutes 1978, Chapter 169, by adding a section.

Referred to the Committee on Transportation.

Messrs. Keefe, J.; Schmitz; Purfeerst and Ashbach introduced—

S. F. No. 2181: A bill for an act relating to taxation; sales; exempting sales of road building materials; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1; repealing Minnesota Statutes 1978, Section 297A.25, Subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Olhoff and Strand introduced—

S. F. No. 2182: A bill for an act relating to health; directing the department of health to undertake studies for determining health and environmental effects of high voltage transmission lines; appropriating money.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Nelson and Peterson introduced—

S. F. No. 2183: A bill for an act relating to gambling devices; changing definition of gambling devices; authorizing certain payments for operation of gambling devices; amending Minnesota Statutes 1978, Section 349.26, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 349.26, Subdivision 12.

Referred to the Committee on General Legislation and Administrative Rules.

Mrs. Stokowski; Messrs. Gearty; Keefe, S.; Knoll and Ogdahl introduced—

S. F. No. 2184: A bill for an act relating to education; providing aid for free and reduced price lunches rather than full paid lunches in certain school districts; providing certain bonding authority for Special School District No. 1; appropriating money; amending Minnesota Statutes 1978, Section 124.646, Subdivision 2, and by adding a subdivision; Minnesota Statutes, 1979 Supplement, Section 124.646, Subdivision 1; and Laws 1959, Chapter 462, Section 3, Subdivision 7, as amended.

Referred to the Committee on Education.

Mr. McCutcheon introduced—

S. F. No. 2185: A bill for an act relating to data privacy; extending temporary classifications of law enforcement data for one year; establishing a task force to develop law enforcement related data privacy legislation; clarifying provisions relating to arrest information; amending Minnesota Statutes, 1979 Supplement, Sections 15.162, Subdivision 2a; 15.1642, by adding a subdivision; 15.1695, Subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1978, Section 15.162, Subdivision 1a.

Referred to the Committee on Judiciary.

Mr. Bernhagen introduced—

S. F. No. 2186: A bill for an act relating to public utilities; establishment of rates for cogenerating power plants; amending Minnesota Statutes 1978, Chapter 216B, by adding a section.

Referred to the Committee on Energy and Housing.

Mr. Bernhagen introduced—

S. F. No. 2187: A bill for an act relating to transportation; granting an income tax credit for commuter van purchases; establishing a Minnesota rideshare program; appropriating funds; amending Minnesota Statutes 1978, Section 290.06, by adding a subdivision.

Referred to the Committee on Energy and Housing.

Messrs. Ashbach, Schaaf and Bernhagen introduced—

S. F. No. 2188: A bill for an act relating to the environment; altering definitions relating to environmental coordination procedures; eliminating some certification requirements for certain environmental projects; reducing time requirements related to environmental hearings and decisions; amending Minnesota Statutes 1978, Sections 116C.24, Subdivisions 5 and 7; 116C.25; 116C.26, Subdivisions 1, 3 and 5; 116C.27; 116C.28; 116C.31; 116C.32; and 116C.33, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Bang and Ashbach introduced—

S. F. No. 2189: A bill for an act relating to securities; providing for improved regulation of the sale of securities and the licensing of broker-dealers, agents and investment advisers; making miscellaneous clarifications and revisions; prescribing certain fees; amending Minnesota Statutes 1978, Sections 80A.05, Subdivision 1; 80A.07, Subdivision 1; 80A.12, Subdivision 3; 80A.14; 80A.15, Subdivision 2; 80A.16; 80A.21, Subdivision 1; 80A.28, Subdivisions 2, 7, and by adding a subdivision; and 80A.30, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 80A.15, Subdivision 1.

Referred to the Committee on Commerce.

Messrs. Stumpf, Dieterich, Hughes, Barrette and Sieloff introduced—

S. F. No. 2190: A bill for an act relating to the city of Saint Paul; permitting employment of certain persons pursuant to a training program.

Referred to the Committee on Local Government.

Messrs. Pillsbury and Schaaf introduced—

S. F. No. 2191: A bill for an act relating to state government; creating the Minnesota institute for public foresight; requiring the identification and analysis of trends affecting the state; appropriating money.

Referred to the Committee on Governmental Operations.

Messrs. Menning, Nichols, Olson and Strand introduced—

S. F. No. 2192: A bill for an act relating to local government; regulating financial reports of certain municipal hospitals and nursing homes; amending Minnesota Statutes, 1979 Supplement, Sections 471.697, Subdivision 1; and 471.698, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Solon, Kleinbaum, Mrs. Brataas and Mr. Anderson introduced—

S. F. No. 2193: A bill for an act relating to commerce; establishing certain time price differentials on retail installment sales of mobile homes; amending Minnesota Statutes 1978, Section 168.72.

Referred to the Committee on Commerce.

Mr. Merriam introduced—

S. F. No. 2194: A bill for an act relating to education; modifying the aid and levy for community education to take into account certain payments; amending Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivisions 1a and 2; and 275.125, Subdivision 9.

Referred to the Committee on Education.

Messrs. Knoll, Laufenburger, Frederick, Kleinbaum and Purfeerst introduced—

S. F. No. 2195: A bill for an act relating to employment agencies; exempting certain medical doctor placement services from licensing provisions; amending Minnesota Statutes 1978, Section 184.21, Subdivision 2.

Referred to the Committee on Employment.

Messrs. Nichols and Setzepfandt introduced—

S. F. No. 2196: A bill for an act relating to intoxicating liquor; maximum fee for municipal licenses issued to clubs; amending Minnesota Statutes, 1979 Supplement, Section 340.11, Subdivision 11.

Referred to the Committee on Commerce.

Messrs. Merriam, Stumpf, Sillers, Dieterich and Nelson introduced—

S. F. No. 2197: A bill for an act relating to education; modifying and providing certain procedures for the termination, discharge and demotion of certain teachers; amending Minnesota Statutes 1978, Section 125.12, Subdivisions 3, 4, 8, 9, 10, 11, and by adding a subdivision; and 125.17, Subdivisions 2, 5, and 10; repealing Minnesota Statutes 1978, Section 125.17, Subdivisions 6, 7, 8 and 9.

Referred to the Committee on Education.

Messrs. Tennesen, Knoll, Merriam and Keefe, J. introduced—

S. F. No. 2198: A bill for an act relating to privacy; collection and dissemination of government data; classifying data as private, confidential and nonpublic; providing penalties; amending Minnesota Statutes 1978, Section 15.162, Subdivisions 1a, 3, 5a, and by adding subdivisions; 15.165, Subdivision 3, and by adding a subdivision; 600.23, Subdivision 3; and Chapter 15, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 15.162, Subdivision 2a; 15.163, Subdivision 9; 15.166, Subdivision 4; 15.1692, Subdivision 2, and by adding a subdivision; 15.1693, by adding a subdivision; 15.1695, Subdivision 1, and by adding a subdivision; 15.1698, Subdivision 1, and by adding subdivisions; repealing Minnesota Statutes 1978, Section 299C.13; and Minnesota Statutes, 1979 Supplement, Section 15.1692, Subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Tennesen, Knoll, Merriam and Keefe, J. introduced—

S. F. No. 2199: A bill for an act relating to privacy; collection and dissemination of government data; classifying data as private, confidential and nonpublic; amending Minnesota Statutes 1978, Sections 15.162, Subdivisions 3, 4, 5a, 5b, and by adding subdivisions; 15.165, by adding a subdivision; 241.021, Subdivision 1; 272.70; 297A.431; 390.11, by adding a subdivision; 600.23, Subdivision 3; Chapter 15, by adding sections; Chapter 134, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 15.163, Subdivision 6; 15.1692, Subdivision 4, and by adding a subdivision; and 15.1698, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Hughes, Dunn, Anderson, Merriam and Sillers introduced—

S. F. No. 2200: A bill for an act relating to education; improving education by creating a program of educational research and development by school districts; appropriating money.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S. F. No. 2201: A bill for an act relating to public debt; providing a maximum interest rate on certain obligations; amending Minnesota Statutes 1978, Section 475.55, Subdivision 1.

Referred to the Committee on Commerce.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on H. F. No. 1715 and reports pertaining to appointments. The motion prevailed.

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 789: A bill for an act relating to commerce; registering and regulating continuing care facilities; providing a lien; providing for disclosure; providing a penalty; amending Minnesota Statutes 1978, Section 82.18.

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

Page 1, line 19, delete "an" and insert "a written"

Page 1, line 21, before the period insert "*but does not include care furnished in a nursing home licensed pursuant to chapter 144A*"

Page 2, after line 16, insert:

*"Subd. 9. "Minimum deposit" means a deposit equal to or greater than five percent of the entrance fee.*

*Subd. 10. "Subscription agreement" means a document prepared by the provider that is given to a prospective resident for signing and which (a) discloses the financial obligation of the prospective resident, and (b) requires the payment of a deposit, and (c) imposes an obligation on the signer to sign a residency agreement."*

Page 2, line 18, delete "act" and insert "section"

Page 4, line 12, delete the first "act" and insert "section"

Page 4, line 31, delete "shall" and insert "occurs"

Page 4, line 31, delete "occur"

Page 5, line 18, delete "will be" and insert "is"

Page 6, line 27, delete "such" and insert "these"

Page 6, line 32, delete "shorter period"

Page 6, delete line 33

Page 7, delete line 1 and insert "*for whatever period that the provider or manager has operated the facility if this period is less than five years;*"

Page 7, line 20, delete everything after "or"

Page 7, line 21, delete everything before the period, and insert "*for whatever period the provider has operated the facility if this period is less than three years*"

Page 9, line 16, delete "as may be" and insert "that is"

Page 9, line 17, delete "as" and insert "that"

Page 10, line 1, delete "shall" and insert "is"

Page 10, line 1, delete "be"

Page 10, line 16, delete "and"

Page 10, line 22, delete the period and insert a semicolon

Page 10, after line 22, insert:

*"(q) (1) The disclosure statement required by this section shall be in a form approved by the commissioner.*

*(2) The statement shall be written in language easily readable and understandable by a person of average intelligence and education.*

*(3) In determining whether a statement is readable, the commissioner shall consider at least the following factors:*

*(i) the simplicity of the sentence structure and the shortness of the sentences used;*

*(ii) the extent to which commonly used and understood words are employed;*

*(iii) the extent to which legal terms are avoided;*

*(iv) the extent to which references to other sections or provisions of the statement are minimized;*

*(v) the extent to which definitional provisions are incorporated in the text of the statement; and*

*(vi) any additional factors relevant to the readability or understandability of the statement which the commissioner prescribes by rule."*

Page 10, line 33, delete "such" and insert "the" and delete "as"

Page 11, line 10, delete "such" and insert "the" and delete "as"

Page 11, line 10, delete "department" and insert "commissioner"

Page 11, line 12, delete "75" and insert "65"

Page 11, line 13, delete "residency" and insert "subscription"

Page 11, line 13, after "and" insert "minimum"

Page 11, line 14, delete "and" and insert "or if the subscription agreement requires a minimum deposit of more than one-third of the entrance fee, then the facility may have 50 percent of the units reserved and 50 percent of the facility must be completely constructed; and"

Page 11, line 28, delete "of this"

Page 11, line 29, delete "act"

Page 12, line 15, delete everything before "authorized" and insert "issued by an insurer"

Page 12, line 16, delete "in favor of" and insert "with"

Page 12, line 16, after "provider" insert "as obligee"

Page 13, line 3, delete "such" and insert "these"

Page 13, line 15, delete "as may have" and insert "that has"

Page 13, line 23, delete "\$ . . . ." and insert "two percent of the entrance fee"

Page 13, line 26, delete "shall be"

Page 13, line 27, delete "entitled to" and insert "may"

Page 13, line 27, delete the language after "bond"

Page 13, delete lines 28 to 30 and insert "issued by an insurer authorized to do business in this state. The bond shall be filed with the commissioner with the state as obligee, conditioned for the prompt payment to persons who are entitled to a refund of entrance fees from the provider."

Page 13, line 32, delete "shall become" and insert "is"

Page 14, line 1, delete "this act" and insert "section 3"

Page 14, line 12, delete "so"

Page 14, line 19, delete "must" and insert "shall"

Page 14, line 23, delete "shall be" and insert "is"

Page 14, delete lines 27 to 29

Page 15, line 4, before "At" insert "The provider shall notify the commissioner"

Page 15, line 5, delete the comma and insert ". Upon receiving this notification"

Page 15, line 5, delete "may" and insert "shall"

Page 15, line 9, delete "shall be" and insert "is"

Page 15, line 22, delete "shall"

Page 15, line 23, delete "determine" and insert "determines"

Page 15, line 26, delete "this act" and insert "section 3"

Page 15, line 30, delete "such" and insert "the"

Page 15, line 30, delete "shall be" and insert "is"

Page 16, line 17, delete "this act" and insert "section 3"

Page 16, lines 17 and 20, delete "shall be" and insert "is"

Page 16, line 22, delete "shall determine" and insert "determines"

Page 17, line 32, delete the comma and insert ". The order"

Page 18, line 12, delete "this act" and insert "section 3"

Page 18, line 15, delete everything after "bond"

Page 18, delete lines 16 and 17

Page 18, line 18, delete everything before "in" and insert "issued by an insurer authorized to do business in this state. The bond shall be filed with the commissioner, with the state as obligee, conditioned for the prompt payment to persons who are entitled

to a refund of entrance fees from the provider or for the prompt payment of other damages.”

Page 18, line 20, delete the comma and insert “. The bond shall be”

Page 18, line 22, delete “need to be available” and insert “be needed”

Page 18, line 25, delete “this act” and insert “section 3”

Page 18, line 27, delete “hereof”

Page 19, line 18, delete “shall be” and insert “is”

Page 19, line 21, delete “this act” and insert “sections 1 to 12”

Page 19, line 29, delete “shall exist” and insert “exists”

Pages 19 and 20, delete subdivisions 3, 4 and 5 and insert:

“Subd. 3. Nothing contained in sections 1 to 16 shall be construed to limit the remedies a person has under any other law.”

Page 20, lines 27, 28, 30 and 32, delete “this act” and insert “sections 3 to 16”

Page 21, lines 5, 16 and 23, delete “this act” and insert “sections 3 to 16”

Page 21, line 18, delete “such”

Page 21, lines 19 and 20, delete “such” and insert “the”

Page 21, line 28, delete “shall” and insert “is” and delete “be”

Page 21, line 30, delete “this act” and insert “sections 3 to 16”

Page 21, line 32, delete “\$100,000” and insert “\$10,000”

Page 21, line 32, delete “five” and insert “one”

Page 21, line 33, delete “years” and insert “year”

Page 23, line 26, delete “such” and insert “the”

Page 23, line 28, delete “this act” and insert “sections 3 to 16”

Page 23, after line 28, insert:

“Sec. 19. [EFFECTIVE DATE.] This act is effective November 1, 1980.”

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1696: A bill for an act relating to the legislature; proposing an amendment to Article IV, Section 23 of the Minnesota Constitution; extending the ordinary period for the governor to consider vetoing a bill; providing for a simplified veto process; providing for a “veto session” of the legislature at which it may

consider overriding a governor's veto of a bill returned after the legislature's adjournment.

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

Page 2, line 30, delete "*third*" and insert "*fourth*"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1827: A bill for an act proposing an amendment to the Minnesota Constitution, Article IV, Section 12; adding a section to allow the legislature or presiding officers to call a special session.

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

Page 1, line 21, delete "*both houses*" and insert "*each house*"

Page 1, line 21, delete "*or upon the*"

Page 1, line 22, delete "*order of the presiding officers of both houses*"

Page 2, line 2, delete "*or*"

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

Page 2, line 15, before "*agreement*" insert "*written*"

Page 2, line 15, delete "*or upon the order of*"

Page 2, line 16, delete "*its presiding officers*"

Amend the title as follows:

Page 1, line 4, delete "*section*" and insert "*provision*"

Page 1, line 4, delete "*or presiding*"

Page 1, line 5, delete "*officers*"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2022: A bill for an act relating to state government; providing for the publication of certain agency data and for notice of vacancies on boards, commissions, councils, task forces, and similar agencies; appropriating money; amending Minnesota Statutes 1978, Section 15.0597, Subdivisions 3, 4, 5, 6 and 7.

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

Page 4, line 11, strike "and, if"

Page 4, strike line 12

Page 4, line 13, strike "whichever occurs first"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1740: A bill for an act relating to education; changing the definition of teacher in the law governing limitations on the amount of severance pay for teachers; improving some of the language in a severance pay law; amending Minnesota Statutes, 1979 Supplement, Section 465.72.

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1311: A bill for an act relating to metropolitan government; removing the city of Northfield from definition of metropolitan areas; adding the city of Northfield to region ten; amending Minnesota Statutes 1978, Sections 473.121, Subdivision 2; 473.123, Subdivision 3; 473.403; 473F.02, Subdivisions 2 and 8.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1996: A bill for an act relating to the city of Minneapolis; providing for positions in the unclassified service; amending Laws 1969, Chapter 937, Section 1, Subdivision 1, as amended, and by adding subdivisions.

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

Page 1, line 16, delete "9" and insert "8"

Page 2, line 3, delete "subdivisions" and insert "a subdivision"

Page 2, delete lines 4 through 6

Page 2, line 7, delete "9" and insert "8"

Amend the title as follows:

Page 1, line 2, after "for" insert "a"

Page 1, line 3, delete "positions" and insert "position"

Page 1, line 5, delete "subdivisions" and insert "a subdivision"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1921: A bill for an act relating to the city of Moorhead; increasing the amount which the city may expend under a contract for public transportation services; amending Laws 1969, Chapter 192, Section 1.

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

Page 1, line 15, strike "city" and insert "*Moorhead-Fargo urbanized area*"

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1806: A bill for an act relating to economic development; creating a small business finance agency with authority to borrow to provide loans for small business projects.

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

Delete everything after the enacting clause and insert:

"Section 1. [362.50] [DEFINITIONS.] Subdivision 1. Each term defined in this section has the meaning given it whenever used in sections 1 to 4.

Subd. 2. "Agency" means the small business finance agency created in section 2.

Subd. 3. "Owner" means a person, partnership, firm, or corporation engaged in a small business and applying to the agency for a loan under section 3.

Subd. 4. "Small business" means an enterprise defined as a small business concern by the United States small business administration or by another agency or instrumentality of the United States to which the same or similar power may be granted, as authorized by 15 U.S. Code, Sections 631 et seq., on the effective date of this section.

Sec. 2. [362.51] [SMALL BUSINESS FINANCE AGENCY.] Subdivision 1. A small business finance agency is hereby created as a public body corporate and politic and a public corporation, and is constituted as an authority to act on behalf of the state within the scope of the powers granted to it in sections 1 to 4 to implement a loan program by which, in cooperation with cities, towns, counties and private or public lenders, adequate funds may be provided on sufficiently favorable terms to assist and encourage the establishment, maintenance and growth of small business in Minnesota and to reduce to a manageable level the cost of the control of pollution and disposal of waste resulting from the operations of small business.

Subd. 2. Sections 1 to 5 are enacted to promote the welfare and prosperity of the state by maintaining and increasing the career and job opportunities of its citizens, by reducing, controlling and preventing environmental pollution and waste of resources and by protecting and enhancing the tax base on which state and local governments depend for the financing of public services.

Subd. 3. Neither the state nor any other agency or political subdivision of the state shall be liable on any bond, note or other obligation of the agency, and no bond, note, or other obligation of the agency shall constitute a debt or loan of credit of the state or any political subdivision or any individual member of the agency.

Subd. 4. The state pledges and agrees with all holders of obligations of the agency that it will not limit or alter the rights vested in the agency to fulfill their terms, and will not in any way impair the rights or remedies of the holders, until all of the obligations and interest on them, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of such holders to enforce the payment and other provisions of the obligations, are fully met and discharged. The agency is authorized to include and recite this pledge and agreement of the state in any obligation or related document.

Subd. 5. The provisions of this section do not affect the power of the state to supervise and control the agency or to discontinue its operation or alter its organization, programs or activities or transfer its powers to a successor agency, provided that the action of the state is consistent with the provisions of subdivision 4 and that title to all property then owned by the agency will remain or vest in the agency, its successor or the state, as the case may be.

Subd. 6. The property of the agency and its income and operation shall be exempt from all taxation by the state or any of its political subdivisions and all bonds and notes of the agency shall be exempt from all taxation by the state or any of its political subdivisions.

Subd. 7. The state covenants with the purchasers and all subsequent holders and transferees of notes and bonds issued by the agency in consideration of the acceptance of and payment for the notes and bonds, that the notes and bonds of the agency issued pursuant to sections 1 to 4 and the income therefrom and all its fees, charges, gifts, grants, revenues, receipts, and other moneys received or to be received, pledges to pay or secure the payment of such notes or bonds shall at all times be free and exempt from all state, city, county or other taxation provided by the laws of the state, except for estate and gift taxes and taxes on transfers, and except for the Minnesota corporate franchise tax measured by income, so long as the interest on federal bonds is included in the income by which such tax is measured.

Subd. 8. The members and governing body of the agency shall be the commissioner of economic development and six other members holding no other elective or appointive office of the state or

any local government, appointed by the governor with advice and consent of the senate. The commissioner shall be vice chairman, and the governor shall designate the chairman from among the other members, to serve as chairman at the pleasure of the governor. Minnesota Statutes, Section 15.0575, governs the terms, compensation, removal and filling of vacancies in the offices of members other than the commissioner.

Subd. 9. The members shall be responsible for management and control of the agency. A majority of the members, excluding vacant memberships, is a quorum. When a quorum is present at any meeting of which notice has been given to or waived by all absent members in the manner provided in bylaws adopted by the vote of a majority of all members, any action of the agency may be taken by the vote of a majority of the members present. Fewer than a quorum may hear reports and adjourn from time to time.

Subd. 10. The commissioner of economic development shall designate an assistant commissioner as executive director of the agency and may appoint permanent and temporary employees necessary for the administration of the agency. The governing body of the agency may enter into agreements under which the department will provide administrative support for the agency.

Sec. 3. [362.52] [LOANS.] Subdivision 1. The agency may participate with banks, savings institutions, investment bankers, insurance companies and other financial institutions in making and committing to make or purchase business facilities loans and pollution control facilities loans, as described in subdivisions 2 and 3 of this section.

Subd. 2. Business facilities loans shall consist of:

(a) Mortgage loans to owners of small businesses for:

(1) Interim or long term financing of projects consisting of the acquisition, construction, or improvement of land and buildings, or the substantial improvement of existing buildings and land in connection therewith, or

(2) The installation of fixtures and other capital expenditures to make facilities useful in connection with the conduct of a small business; and

(b) Secured loans to owners of small businesses for capital expenditures in the purchase of equipment useful in connection with the conduct of a small business.

Subd. 3. Pollution control facilities loans shall consist of loans for the purpose of pollution control facilities, evidenced and secured by qualified contracts under which the full amount of payments due is guaranteed or to be guaranteed, as a full faith and credit obligation of the United States, by the United States Small Business Administration or by another agency or instrumentality of the United States to which the same or similar power may be granted. On the effective date of this section, the guarantees are

authorized by 15 U.S. Code, Sections 694-1 and 694-2, in which pollution control facilities are defined as real and personal property as the administration, in its discretion, determines is likely to help prevent, reduce, abate or control noise, air, or water pollution or contamination by removing, altering, disposing or storing pollutants, contaminants, wastes or heat and real and personal property as the administration determines will be used for the collection, storage, treatment, utilization, processing or final disposal of solid or liquid waste.

Subd. 4. The agency's participation in any business facilities loan may not exceed 90 percent of the principal amount thereof. The total principal amount of any business facilities loan may not exceed 90 percent of the appraised value or the purchase price of the property which will secure the loan, whichever is less, unless the amount in excess of 90 percent is loaned from surplus funds of the agency available for that purpose under the terms of the instrument securing its outstanding obligations, or unless insurance is procured from a federal agency or from a private insurer satisfactory to the governing body of the agency and qualified to write the insurance in the state, insuring a percentage of any claim for loss at least equal to that percentage of the value or price by which the loan exceeds 90 percent of the value or price, as the case may be. The value and price of the property shall be certified by the participating bank, savings institution, investment banker, mortgage banker, insurance company or other financial institution on the basis of appraisals, bids, purchase orders and engineers' certificates as to work and materials furnished in conformity with plans and specifications and construction contracts as the agency may require. No other indebtedness of the borrower for any loan made other than pursuant to this section may be secured by a mortgage on or security interest in property securing a loan made pursuant to this section.

Subd. 5. No business facilities loan made for the purpose of providing long term financing for construction or substantial improvement of property shall be disbursed unless the construction or improvement has been completed in accordance with plans and specifications or unless the bank, savings institution, investment banker, mortgage banker, insurance company or other financial institution furnishes an irrevocable letter of credit or a qualified corporate surety furnishes payment and performance bonds or both satisfactory to the governing body of the agency and in the aggregate amount payable under the construction contract.

Sec. 4. [362.53] [POWERS; DUTIES.] Subdivision 1. In implementing its corporate purposes and the programs described in sections 1 to 3, the agency shall have the powers and duties set forth in this section.

Subd. 2. It may sue and be sued.

Subd. 3. It may have a seal and alter the same at will.

Subd. 4. It may adopt, amend and repeal rules not inconsistent with the provisions of sections 1 to 4 as necessary to effectuate its corporate purposes.

Subd. 5. It may acquire, hold and dispose of personal property for its corporate purposes.

Subd. 6. It may enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association or organization.

Subd. 7. It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect any loan in which the agency has an interest and may sell, transfer and convey any such property to a buyer and, in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, may lease such property to a tenant.

Subd. 8. It may sell, at public or private sale, any note, mortgage or other instrument or obligation evidencing or securing a loan.

Subd. 9. It may procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable.

Subd. 10. It may consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment or any installment of principal or interest, or any other term, of any mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to which the agency is a party.

Subd. 11. It may borrow money to carry out and effectuate its corporate purpose and may issue its negotiable bonds or notes as evidence of any such borrowing in accordance with sections 462A.08 to 462A.13, 462A.16 and 462A.17. The aggregate principal amount of the agency's general obligation bonds and notes outstanding at any one time, excluding the amount satisfied and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve funds therefor, shall not exceed \$100,000,000 unless authorized by another law.

Subd. 12. It may issue and sell revenue bonds, notes and other obligations payable solely from particular moneys, assets or revenues derived from its programs.

Subd. 13. It may sell any of its obligations at public or private sale, at such price or prices as the agency shall determine, notwithstanding the limitation on sale price in the fourth sentence of section 462A.09.

Subd. 14. It may establish and collect reasonable interest and amortization payments on loans, and in connection therewith may establish and collect or authorize the collection of reasonable fees and charges or require funds to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for the servicing thereof, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative and project assistance services. It shall

require the payment of all processing, administrative and guarantee fees and the deposit in escrow of all funds required by the small business administration or other federal agency or instrumentality guaranteeing any loan and shall comply and enforce compliance with all terms and conditions of each guarantee, and the prompt filing of all claims which may arise thereunder.

Subd. 15. It may cause any funds not required for immediate disbursement to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the federal savings and loan insurance corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the federal deposit insurance corporation and maturing within one year or less.

Subd. 16. It may provide general consultative and technical services to assist in financing small business facilities for which loans may be made pursuant to section 3. It may enter into agreements or other transactions concerning the receipt or provision of those services.

Subd. 17. Financial information, including, but not limited to, credit reports, financial statements and net worth calculations, received or prepared by the agency regarding any project loan is private data on individuals as defined in Minnesota Statutes, Section 15.162, Subdivision 5a.

Subd. 18. It may accept appropriations, gifts, grants, bequests and devises and use or dispose of them for its corporate purposes.

Subd. 19. All proceeds of the agency's bonds, notes and other obligations, all income from their investment and all revenues from loans, fees and charges of the agency are annually appropriated to the agency for the accomplishment of its corporate purposes and shall be expended, administered and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures and other instruments, contracts, and agreements of the agency. Notwithstanding Minnesota Statutes, Section 16A.28, these appropriations are available until expended.

Sec. 5. [362.132] [SMALL BUSINESS FINANCE AGENCY.] The commissioner of economic development may enter into agreements or transactions with the small business finance agency created under section 2 to perform any or all administrative tasks in connection with the exercise and implementation of the powers and programs of the small business finance agency.

Sec. 6. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "borrow" and insert "sell tax exempt revenue bonds"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 597: A bill for an act relating to motor vehicles; requiring an identification number on vehicles used in enforcing highway traffic safety regulations; amending Minnesota Statutes 1978, Section 169.98, Subdivision 1.

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

Page 1, line 13, strike "all"

Page 1, line 14, strike "any" and insert "a"

Page 1, line 16, strike "herein" and insert "*in this section*"

Page 1, line 16, delete "*Each*" and insert "A"

Page 2, line 1, strike "such" and insert "*the*"

Page 2, line 3, strike "such" and insert "*the*"

Page 2, line 8, strike "thereon"

Page 2, line 12, strike "such" and insert "*the*"

Page 2, line 16, strike "All"

Page 2, delete lines 22 and 23

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

H. F. No. 1715: A resolution memorializing the Civil Aeronautics Board and the President of the United States to authorize non-stop service by Northwest Airlines between Minneapolis-St. Paul and London.

Reports the same back with the recommendation that the resolution do pass and be placed on the Consent Calendar. Mr. Coleman questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1615: A bill for an act relating to transportation; repealing a certain administrative rule of the department of transportation enforcing parallel parking on certain streets and highways.

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2041: A bill for an act relating to education; the maximum effort school aid law; changing the definition of "maximum effort debt service levy"; authorizing the sale of bonds for the maximum effort school loan fund; appropriating money; amending Minnesota Statutes 1978, Sections 124.38, Subdivision 7; 124.43, Subdivisions 1 and 2.

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

Page 1, lines 13 to 24, reinstate the stricken language and delete the new language

Page 1, line 17, strike "20" and insert "15"

Page 2, lines 1 to 19, 28 to 30, and 33, reinstate the stricken language and delete the new language

Page 3, line 2, reinstate the stricken language and delete "(3)"

Page 3, line 3, delete "or (2)"

Page 6, line 7, delete "school loan" and insert "equalization aid review"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1550: A bill for an act proposing an amendment to the Minnesota Constitution, Article V, Section 3; removing the requirement that notaries public be approved by the senate.

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

Page 2, after line 15, insert:

"Sec. 3. Minnesota Statutes 1978, Section 359.01, is amended to read:

359.01 [COMMISSION.] The governor may appoint and commission as notaries public, by and with the advice and consent of the senate, as many citizens of this state, over the age of 18 years, resident in the county for which appointed, as he deems necessary. The fee for each commission shall not exceed \$10, and shall be paid to the governor's private secretary.

Sec. 4. Sections 1 to 3 are effective for notaries public appointed after January 1, 1981 if the constitutional amendment proposed in sections 1 and 2 is approved pursuant to section 2 prior to that date. Unless the proposed constitutional amendment is approved prior to January 1, 1981, section 3 is of no effect."

Amend the title as follows:

Page 1, line 5, after "senate" insert "; amending Minnesota Statutes 1978, Section 359.01"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 769: A bill for an act relating to security guards; providing for the certification and training of security guards; setting forth criteria for the use of deadly force by security guards; prescribing penalties; amending Minnesota Statutes 1978, Section 326.336, Subdivisions 1 and 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 326.32, is amended by adding a subdivision to read:

*Subd. 12. "Proprietary security force" means the internal security force of a private firm or corporation.*

Sec. 2. Minnesota Statutes 1978, Section 326.33, Subdivision 1. is amended to read:

326.33 [BOARD OF PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES; CREATION.] Subdivision 1. There is hereby created a board of private detective and protective agent services, consisting of the attorney general or a departmental employee designated by him; the superintendent of the bureau of criminal apprehension or a departmental employee designated by him; and a *two* licensed private ~~detective~~ *detectives or protective agents, a representative from a proprietary security force* and two public members appointed by the governor. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214 and Laws 1976, Chapter 222, Sections 2 to 7.

The board members shall meet as they deem necessary and conduct such business ascribed to the board by the provisions of sections 326.331 to 326.339. The board shall designate one of the board members to fulfill the capacity of board chairman who will remain in the capacity of chairman for a term of one year. The board shall have the option of retaining or replacing a board member as chairman.

Sec. 3. Minnesota Statutes 1978, Section 326.331, is amended to read:

**326.331 [LICENSES.]** No person shall engage in the business of private detective, investigator, or protective agent for hire, fee or reward, or advertise or indicate in any letter, document or verbally that he is so engaged or available to supply such services *and no person shall operate a proprietary security force* without having first obtained a license as herein provided. Any person desiring to engage in such business may for each office or agency to be maintained by such person apply to the commissioner of public safety for a license. Upon application by any person qualified under sections 326.331 to 326.339 to engage in such business, the board of private detective and protective agent services shall issue such a license for a period of two years upon the conditions herein set forth, such license to continue for said period so long as such licensee remains a qualified person and complies with the provisions of sections 326.331 to 326.339 and with the laws of Minnesota. No person shall be deemed qualified to hold such a license who has been convicted of felony by the courts of this or any other state or of the United States, or who has been convicted anywhere of acts which if done in Minnesota would be assault, theft, larceny, unlawful entry, extortion, defamation, buying or receiving stolen property, using, possessing, or carrying weapons or burglar tools or escape, or who has been convicted in any other country of acts which if done in Minnesota would be a felony or would be any of the other offenses specified above, nor shall any person who shall make any false statement in any application for license hereunder be deemed a qualified person to hold any such license. *Violation of this section is a misdemeanor and a person having operated as a private detective or protective agent in violation of sections 326.32 to 326.339 on or after the effective date of this act may be denied a license upon application.* No other license shall be required by any other political unit or subdivision.

Sec. 4. Minnesota Statutes 1978, Section 326.332, Subdivision 1. is amended to read:

**326.332 [APPLICATION FOR LICENSE.]** Subdivision 1. The application for such license shall be in duplicate and shall state:

(1) The full name, age, sex, residence for the past five years, present and previous occupations and employers, of all persons signing the application;

(2) That each person signing the application has attained the age of majority;

(3) That the person, firm, or corporation applying for the license is a resident of the state of Minnesota, or that the applicant holds an equivalent license in another state, which state shall be set forth;

(4) The municipality, stating the street and number or such apt description as will reasonably indicate the location in said municipality, where the licensed office of the applicant is to be located;

(5) Such further facts as may be required by the commissioner of public safety to show the good character, competency and integrity of each person signing the application;

(6) If applicant is a corporation, the name of the corporation, the date and place of its incorporation, the location of its principal place of business or registered office, in its state of incorporation;

(7) That the applicant has been a bona fide resident of the state of Minnesota for a period of six months immediately preceding the filing of the application or is presently a license holder in another state;

(8) That the license holder, one member of a partnership or one corporate member of a corporation shall be ~~an active participant~~ *the qualifying applicant and a regular employee* in said licensee's business, and that the branch manager or director of a licensee's Minnesota based office shall have the same qualifications as a license holder and shall comply with all provisions of sections 326.331 to 326.339.

Sec. 5. Minnesota Statutes 1978, Section 326.333, is amended to read:

326.333 [INFORMATION AND MATERIAL ACCOMPANYING APPLICATION.] Each such application shall be accompanied by:

(1) A surety bond executed by a company authorized to do business in the state of Minnesota wherein the applicant shall be principal, with sureties to be approved by the commissioner of public safety, to the state of Minnesota, in the penal sum of \$5,000, upon the condition that applicant and each of applicant's employees shall faithfully observe all the laws of Minnesota and of the United States, including sections 326.331 to 326.339, and shall pay all damages suffered by any person by reason of the violation of any such law by applicant or by the commission of any wilful and malicious wrong by any such applicant in the course of the conduct of such business. Action upon such bond may be brought by any person so aggrieved not later than within two years of the act complained of;

(2) For each person signing the application the verified certificates of at least five citizens not related to the signer who have known the signer for more than five years, certifying that the signer is of good moral character;

(3) Two photographs and a full set of fingerprints for each person signing the application;

" (4) A duly acknowledged certificate evidencing the fact that at least one of the persons *qualifying applicant* signing the application for private detective has been regularly employed as a detective by a licensed detective agency or has been a member of the United States government investigative service, a sheriff or member of a city police department of a rank or grade of sergeant or higher, or equivalent occupation, for a period of not less than three years;

(5) An acknowledged certificate evidencing the fact that at least one of the persons *qualifying applicant* signing the application for protective agent has been regularly employed as a detec-

tive or has been a member of the United States government investigative service, a sheriff or member of a city police department of a rank or grade higher than that of patrolman, or equivalent part time occupation or special training, for a period of not less than three years; or has completed a course prescribed by the state police officers training board.

Sec. 6. Minnesota Statutes 1978, Section 326.336, Subdivision 1, is amended to read:

326.336 [EMPLOYEES OF LICENSEES.] Subdivision 1. A licensee may employ, in connection with the business of private detective or protective agent, as many unlicensed persons as may be necessary; provided however, that every licensee is at all times accountable for the good conduct of every person employed by him in connection with the business of private detective or protective agent. *Every licensee shall be accountable for persons certified as security guards under the provisions of sections 12 to 16.*

Sec. 7. Minnesota Statutes 1978, Section 326.336, Subdivision 2, is amended to read:

Subd. 2. An identification card shall be issued to each employee of a private detective agency or protective agency and shall be in his possession at all times. Such identification card shall be issued by the license holder and contain the license holder's logo, corporate or company name, duly signed by the license holder or branch manager, the office address of the license holder or Minnesota branch of said license holder, the employee's photograph *and certificate number if he is a security guard*, and physical description, and shall bear the employee's signature. No identification card shall bear the word "police" or any other marking indicating the holder is a member of a police department or peace officer. The issuing agency shall have its name printed in full on said card and no initials that would correspond with municipal, state or federal law enforcement agencies shall be printed thereon.

Sec. 8. Minnesota Statutes 1978, Section 326.336, is amended by adding a subdivision to read:

*Subd. 5. A name tag bearing the name of the employee shall be issued to each uniformed employee and shall be displayed at all times.*

Sec. 9. Minnesota Statutes 1978, Section 326.336, is amended by adding a subdivision to read:

*Subd. 6. A shoulder patch with the full name of the licensee shall be on each uniformed employee.*

Sec. 10. Minnesota Statutes 1978, Section 326.337, Subdivision 1, is amended to read:

326.337 [VIOLATIONS; PENALTY.] Subdivision 1. It is unlawful for the holder of a license knowingly to commit any of the following acts within or without the state of Minnesota: To incite, encourage, or aid in the incitement or encouragement of any person who has become a party to any strike to do unlawful acts or to

incite, stir up, create, or aid in the inciting of discontent or dissatisfaction among the employees of any person, firm, or corporation with the intention of having them strike; to interfere with or prevent lawful and peaceful picketing during strikes; to interfere with, restrain or coerce employees in the exercise of their right to form, join, or assist any labor organization of their own choosing; to interfere with or hinder the lawful or peaceful collective bargaining between employees and employers; to pay, offer or give any money, gratuity, favor, consideration, or other thing of value, directly or indirectly, to any person for any verbal or written report of the lawful activities of employees in the exercise of their right of self-organization and their right to form, join, or assist labor organizations and to bargain collectively through representatives of their own choosing; to advertise for, recruit, furnish or replace, or offer to furnish or replace, for hire or reward, within or without Minnesota, any help or labor, skilled or unskilled, or to furnish or offer to furnish armed guards, other than armed guards regularly employed for the protection of payrolls, property, or premises, for service upon property which is being operated in anticipation of or during the course or existence of a strike, or furnish armed guards upon the highways, for persons involved in labor disputes, or to furnish or offer to furnish to employers or their agents any arms, munitions, tear gas implements, or any other weapons; to use in any manner the word *words* "police," "patrol," "law enforcement," or the name of the local city, county or state on any vehicle, badge, emblem, stationery, advertising of any private detective or protective agent as defined in section 326.338 and no vehicle, emblem, or badge shall be designed or worn as imitative of any such vehicle, emblem, or badge used by a police department, highway patrol, or peace officer, or to send letters or literature to employers offering to eliminate labor unions, or distribute or circulate any list of members of a labor organization, or to advise any person of the membership of an individual in a labor organization for the express purpose of preventing those so listed or named from obtaining or retaining employment. Any person who violates the provisions of this subdivision is guilty of a gross misdemeanor.

Sec. 11. Minnesota Statutes 1978, Section 326.338, Subdivision 2, is amended to read:

Subd. 2. Any person who shall furnish, for hire or reward, watchmen or guards or private patrolmen or other persons to protect other persons or their property or to prevent the theft, unlawful taking of goods, merchandise or money, or to prevent the misappropriation or concealment of goods, merchandise, money, choses in action, or other valuable things, or to procure the return thereof; shall be deemed engaged in the business of protective agent, provided that no person engaged exclusively in making investigations and reports respecting the financial rating and credit responsibility of persons or corporations engaged in business. or respecting financial rating, credit responsibility and character of applicants for insurance, indemnity bonds or commercial credit, shall be deemed engaged in such business or that of private

detective, nor shall any employee or peace officer of the United States or of this or any state while in the discharge of his official duties, nor any attorney at law engaged in the discharge of his professional duties, nor any full time employee making investigations respecting pending or possible claims against his employer be deemed engaged in such business. *However, when an employee or peace officer of the United States or of this or any other state is not in the discharge of his official duties and when an attorney at law is not engaged in the discharge of his professional duties, he is subject to the provisions of sections 326.32 to 326.339. A licensed private detective may perform those duties attributable to a protective agent without obtaining any additional license.*

**Sec. 12. [326.341] [DEFINITIONS.] Subdivision 1.** *For the purposes of sections 12 to 17, the terms defined in this section have the meanings given them.*

**Subd. 2. "Board"** *means the board of private detective and protective agent services.*

**Subd. 3. "Deadly force"** *means force which the actor uses with the purpose of causing, or which the actor should reasonably know creates a substantial risk of causing death or great bodily harm. The intentional discharge of a firearm in the direction of another person, or at a vehicle or location in which another person is believed to be, is use of deadly force.*

**Subd. 4. "Security guard"** *means any person who is paid a fee, wage or salary by any person required to be licensed pursuant to section 326.331 to perform one or more of the following functions:*

*(a) Prevention or detection of intrusion, unauthorized entry or activity, vandalism, or trespass on private property;*

*(b) Prevention or detection of theft, loss, embezzlement, misappropriation, or concealment of merchandise, money, bonds, stock, notes, or other valuable documents or papers;*

*(c) Control, regulation, or direction of the flow or movements of the public, whether by vehicle or otherwise, to assure protection of private property;*

*(d) Protection of individuals from bodily harm; or*

*(e) Enforcement of policies and rules of his employer related to crime reduction insofar as the enforcement falls within the scope of his duties.*

*The term "security guard" does not include: (i) auditors, accountants, and accounting personnel performing audits or accounting functions; (ii) employees of a firm licensed pursuant to section 326.331 whose duties are primarily administrative or clerical in nature; (iii) unarmed watchmen whose primary duty is the prevention or detection of fire; (iv) personnel temporarily employed pursuant to statute or ordinance by political subdivisions to provide protective services at social functions.*

**Subd. 5. "Protective agency"** *means any individual, partnership*

or corporation licensed under the provisions of Minnesota Statutes, Sections 326.331 to 326.339.

*Subd. 6. "Proprietary security force" means the internal security force of a private firm or corporation.*

**Sec. 13. [326.342] [CERTIFICATION OF SECURITY GUARDS.] Subdivision 1.** *After January 1, 1981, no person may engage in the work of security guard without first being certified by the board unless he is exempted from such requirement under the provisions of section 15.*

*If a person is employed as a security guard by a protective agency or proprietary security force, he shall, within 30 days of the beginning of his employment, make application to the board for certification. Until he has received board certification, a person employed as a security guard may not serve as an armed guard.*

*Subd. 2. To become a certified security guard a person must satisfy the board that he:*

*(a) Has attained the age of 18;*

*(b) Has satisfactorily completed a board certified general training course;*

*(c) Has not been active in the criminal justice system for an arrest or conviction in the state of Minnesota or any other state for any criminal offense that under Minnesota law would be classified as a gross misdemeanor or felony within the last seven years;*

*(d) Meets the following minimum physical standards:*

*(i) Vision correctable to 20/30 (Snellen) in each eye; and*

*(ii) Capable of hearing ordinary conversation at a distance of 15 feet with each ear;*

*(e) Has satisfactorily completed a board certified course in the use of firearms and first aid if in the course of employment the applicant will be required or permitted to carry or have ready access to firearms.*

*Subd. 3. The board shall establish forms and procedures for the processing of applications. The board shall also establish procedures relating to certificate issuance and annual renewal. The board shall establish certificate fees based upon actual cost of issuing the certificate. All fees collected pursuant to sections 12 to 16 are nonrefundable and shall be deposited with the state treasurer and credited to the general fund.*

*Subd. 4. An application for a security guard certificate shall state:*

*(a) The full name, age, sex, residence for the past ten years, and present and previous employers for the past ten years, of the person signing the application;*

*(b) That the person signing the application has attained the age of 18; and*

(c) Any other relevant information which the board deems necessary to properly evaluate the qualifications of the applicant.

An application shall be accompanied by a full set of fingerprints and evidence that the applicant has satisfactorily completed required training programs.

*Subd. 5. It shall be the duty of the board to compare fingerprints obtained from applicants with state criminal identification records, to cause to have conducted a sufficient investigation of the person signing the application so as to determine his competence, character and fitness for certification.*

**Sec. 14. [326.343] [TRAINING REQUIREMENTS FOR SECURITY GUARDS.]** *The board shall adopt rules with respect to the certification of security guard training schools and courses. The rules shall be adopted by January 1, 1981. Those eligible for certification shall include community colleges with law enforcement programs, four year colleges with criminal justice programs, area technical-vocational schools with law enforcement programs and any other organization the board determines has facilities and instructors qualified to provide security guard general training. Training courses shall be for a minimum of 16 hours. The board may revoke certification of any school or organization which fails to maintain minimum standards of training.*

*Until adoption of rules, the board may provisionally certify security guard training schools and courses.*

*The board shall establish by rule a continuing training program for security guards. Persons exempted from certification under section 15 must participate in training programs and meet minimum training requirements within a specified period of time as determined by the board.*

**Sec. 15. [326.344] [EXEMPTIONS FROM CERTIFICATION REQUIREMENT.]** *Subdivision 1. A person engaged in the work of security guard for at least 800 hours before January 1, 1981 is exempt from the certification and training provisions of sections 12 to 16. Upon application the board shall provide any person who qualifies for exemption with a certificate of exemption.*

*Subd. 2. The board may grant exemptions from the security guard certification and training requirements of sections 12 to 16 under the following conditions:*

(a) *In the case of an emergency arising out of a natural disaster, labor dispute, civil disorder, fire or explosion, temporary personnel may be employed upon request of a protective agency or proprietary security force for an exemption for the purpose of supplementing security forces at the emergency site. The exemption shall apply for a period not to exceed 90 days from the date the exemption is granted or the duration of the emergency whichever is shorter.*

(b) *In the case of a natural disaster, fire or explosion, companies having persons who volunteer their assistance but who are*

*under current employment in capacities other than security may request exemption for the purpose of employing those volunteers as emergency security forces for the evacuation and control of personnel and for assistance to civil or company authorities for the duration of the emergency.*

*Subd. 3. In the event a bona fide requirement for the service of a security guard or guards exists as determined by the board and for which no persons certified under the provisions of sections 12 to 16 are available, the board may grant a 30 day exemption from the certification requirement on an individual basis for the specific purpose of allowing an individual or individuals to acquire training and certification under the provisions of sections 12 to 16. For that period, the individual or individuals may assume the duties of an unarmed guard. This exemption shall apply to protective agencies and proprietary security forces. No more than one exemption shall be granted to any one individual.*

**Sec. 16. [326.345] [PENALTIES.]** *Subdivision 1. Any person who shall engage in the work of security guard without first having obtained a certificate under the provisions of sections 12 to 16 or a certificate of exemption under section 15, subdivision 1, is guilty of a misdemeanor.*

*Subd. 2. Any proprietary security force or protective agency who employs a person in the work of security guard when that person has not been certified under the provisions of sections 12 to 16 is guilty of a misdemeanor.*

**Sec. 17. [326.346] [AUTHORIZED USE OF DEADLY FORCE BY ARMED PRIVATE SECURITY GUARDS.]** *The use of deadly force by a security guard in the course of employment is justified only when necessary to protect himself or another from apparent death or great bodily harm. This section may not be used as a defense in a civil action.*

**Sec. 18. [EFFECTIVE DATE.]** *This act is effective January 1, 1981."*

Amend the title as follows:

Page 1, line 6, delete "Section" and insert "Sections 326.32, by adding a subdivision; 326.33, Subdivision 1; 326.331; 326.332, Subdivision 1; 326.333;"

Page 1, line 7, after "2" insert ", and by adding subdivisions; 326.337, Subdivision 1; and 326.338, Subdivision 2"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1863: A bill for an act relating to courts; providing for additional clerk and administrator duties in conciliation court; providing that an informational pamphlet be prepared and dis-

tributed to parties in conciliation court; providing for a procedure to assist in collection of conciliation court judgments; providing penalties; amending Minnesota Statutes 1978, Sections 487.30, by adding subdivisions; 488A.13, Subdivision 2; 488A.16, Subdivision 8; 488A.30, Subdivision 2; and 488A.33, Subdivision 7.

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

Pages 1 and 2, delete section 1

Page 2, line 9, delete "*file with the court*" and insert "*mail to the judgment creditor*"

Page 2, line 17, after the first "*to*" insert "*satisfy the judgment or*"

Page 2, line 17, delete "*return*" and insert "*mail*"

Page 2, line 17, delete "*court*" and insert "*judgment creditor*"

Page 2, line 18, delete "*one week*" and insert "*seven days*"

Page 2, line 18, delete "*receipt*" and insert "*service of the order*"

Page 2, line 19, delete "*party*" and insert "*judgment debtor*"

Page 2, line 19, delete "*, with notice of the*"

Page 2, line 20, delete "*possible contempt citation,*"

Page 2, line 21, delete the comma

Page 3, line 6, delete everything after the period

Page 3, delete lines 7 to 10

Page 3, line 11, delete everything before "*The*"

Page 3, after line 23, insert:

"Sec. 3. Minnesota Statutes 1978, Section 488A.14, Subdivision 4, is amended to read:

Subd. 4. [HEARING, DATE; SUMMONS.] When an action has been properly commenced, the clerk shall set a date for court hearing and advise the plaintiff of the date set. The clerk shall promptly summon the defendant by mail or by personal service in the manner then provided for personal service of a summons of said *the* municipal court. The summons shall state the amount and nature of the claim; shall require the defendant to appear at the hearing; shall specify that if he does not appear judgment by default will be entered against him for the relief demanded and shall summarize the requirements for filing a counterclaim. Unless otherwise ordered by a judge, the hearing date shall be not less than ~~ten~~ 15 days from the date of mailing or service of the summons.

Sec. 4. Minnesota Statutes 1978, Section 488A.14, Subdivision 5, is amended to read:

Subd. 5. [COUNTERCLAIM.] (a) The defendant may interpose

as counterclaim any claim within the jurisdiction of the court which he has against the plaintiff whether or not arising out of the transaction or occurrence which is the subject matter of the plaintiff's claim.

(b) The counterclaim shall be interposed by filing with the clerk a brief statement of the amount, date of accrual and nature of the counterclaim, verified by the defendant or his attorney, and paying a filing fee of \$2 to the clerk. If the defendant is not represented by an attorney the clerk shall draw up the counterclaim on request.

(c) The clerk shall note the filing of the counterclaim on the original claim, promptly notify the plaintiff or his attorney by mail of the filing and set the counterclaim for hearing on the same date as the original claim.

(d) The counterclaim shall be filed not less than *five ten* days before the date set for court hearing. The judge, in his discretion, may thereafter allow the filing of a written or oral counterclaim before or after hearing the merits of the claim and counterclaim. The judge, in his discretion, may require the payment of absolute or conditional costs up to \$25 by the defendant as a condition of allowing late filing in the event that a continuance is requested by the plaintiff and is granted because of *such the* late filing.

(e) If the defendant has a counterclaim arising out of the same transaction or occurrence which exceeds the jurisdiction of the court and the defendant files an affidavit by himself or his attorney with the clerk not less than *five ten* days before the date set for court hearing showing that he has filed with the clerk of a specified other court of competent jurisdiction a summons and complaint seeking recovery from the plaintiff on the counterclaim and stating the nature and amount thereof, the clerk shall strike the action from the calendar and so advise the plaintiff or his attorney by mail. If the plaintiff not less than 30 days nor more than three years after the filing of such an affidavit shall file an affidavit showing that he has not been served with a summons in the other action or that the other action has been finally determined, the clerk shall again set the cause for court hearing and summon the defendant in the same manner as for the initial hearing and the court shall proceed to hear and determine plaintiff's claim. If no such counter affidavit is filed by plaintiff within three years, his original claim is dismissed without prejudice without any further action by the clerk or any judge. Prior to the expiration of this three year period the plaintiff's original claim may be dismissed by plaintiff or by court order at a hearing upon motion of the defendant.

Sec. 5. Minnesota Statutes 1978, Section 488A.16, Subdivision 2, is amended to read:

Subd. 2. [ENTRY OF JUDGMENT.] The clerk shall enter judgment forthwith as ordered by the court, dating the judgment entry the same date as notice is mailed to the parties. Unless: (1) otherwise ordered by a judge, (2) payment has been made in full,

(3) removal to municipal court has been perfected or (4) an order vacating the prior order has been filed, the judgment so entered by the clerk becomes finally effective ~~ten~~ 15 days after the mailing of notice.

Sec. 6. Minnesota Statutes 1978, Section 488A.16, Subdivision 5, is amended to read:

Subd. 5. [VACATION OF ORDER FOR JUDGMENT WITHIN FIFTEEN DAYS.] When a default judgment or a judgment of dismissal on the merits has been ordered for failure to appear, the judge, within ~~ten~~ 15 days after notice thereof was mailed, may vacate the order for judgment ex parte and grant a new hearing, if the defaulting party shows lack of notice, mistake, inadvertence, or excusable neglect as the cause of his failure to appear. Absolute or conditional costs not exceeding \$25 to the other party may be ordered as a prerequisite to that relief. The clerk shall notify the other party by mail of the new hearing date.

Sec. 7. Minnesota Statutes 1978, Section 488A.16, Subdivision 6, is amended to read:

Subd. 6. [VACATION OF JUDGMENT AFTER FIFTEEN DAYS.] When a defendant shows that he did not receive a summons before the hearing within sufficient time to permit a defense and that he did not receive notice of the order for default judgment within sufficient time to permit him to make application for relief within ~~ten~~ 15 days or shows other good cause within six months from the date of entry of judgment, a judge may vacate a default judgment with or without payment of absolute or conditional costs. The clerk shall notify the parties by mail of the new hearing date."

Page 4, line 6, delete "*file with the court*" and insert "*mail to the judgment debtor*"

Page 4, line 14, after the first "*to*" insert "*satisfy the judgment or*"

Page 4, line 14, delete "*return*" and insert "*mail*"

Page 4, line 14, delete "*court*" and insert "*judgment creditor*"

Page 4, line 15, delete "*one week*" and insert "*seven days*"

Page 4, line 15, delete "*receipt*" and insert "*service of the order*"

Page 4, line 16, delete "*party*" and insert "*judgment debtor*"

Page 4, line 16, delete "*, with notice of the*"

Page 4, line 17, delete "*possible contempt citation,*"

Page 4, line 18, delete the comma

Page 4, after line 18, insert:

"Sec. 9. Minnesota Statutes 1978, Section 488A.17, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No

cause shall be so removed unless all of the following acts are performed by the aggrieved party within ~~ten~~ 15 days after the date the clerk mailed to him notice of the order for judgment:

(a) Serve on the opposing party or his attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party *by mail or by personal service* in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) File with the clerk of conciliation court the original demand for removal and proof of service thereof. If the opposing party or his attorney cannot be found and service of the demand ~~be~~ is made within the ~~ten~~ 15 day period, the aggrieved party may file with the clerk within the ~~ten~~ 15 day period the original and a copy of the demand, together with an affidavit by himself or his attorney showing that due and diligent search has been made and that the opposing party or his attorney cannot be found and the filing of this affidavit shall serve in lieu of making service and filing proof of service. When such an affidavit is filed, the clerk shall mail the copy of the demand to the opposing party at his last known residence address.

(c) File with the clerk of conciliation court an affidavit by the aggrieved party or his attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Pay to the clerk of conciliation court \$2 when the demand is for trial by court, plus \$5 additional when the demand is for trial by a jury of six persons.

Sec. 10. Minnesota Statutes 1978, Section 488A.17, Subdivision 3, is amended to read:

Subd. 3. [LIMITED REMOVAL OF CAUSE, PROCEDURE.]

(a) When a motion for vacation of a judgment or an order for judgment under subdivision 5 or 6 of section 488A.16 has been denied, the aggrieved party may demand limited removal to the municipal court of the county of Hennepin for hearing de novo of his motion. The demand for limited removal and notice of the hearing de novo must be served by the aggrieved party on the other party in accordance with the provisions of subdivision 2(a) of this section and the original demand and notice, with proof of service, must be filed with the clerk of conciliation court within ~~ten~~ 15 days after the motion has been denied, or the original and one copy of the demand and notice, together with an affidavit similar to that required by subdivision 2(b) of this section must be filed with the clerk of conciliation court within ~~said ten day~~ the 15 day period. When such an affidavit is filed, the clerk shall then mail the copy of the demand and notice to the other party at his last known resi-

dence address. The aggrieved party shall pay a fee of \$2 to the clerk of conciliation court for filing the demand and notice and this fee shall not be recoverable as a disbursement. The notice shall set a date for hearing de novo at a special term of the municipal court not less than ten days nor more than thirty days subsequent to the date of filing the original demand and notice.

(b) The clerk of conciliation court thereupon shall pay over to the municipal court the \$2 fee and shall file in municipal court the removal demand and notice together with all orders, affidavits, and other papers filed in conciliation court. The clerk of municipal court shall then place the cause on the special term calendar of the municipal court for hearing on the date specified in the notice.

(c) A municipal judge, other than the conciliation judge who denied the motion, shall hear the motion de novo at special term and may deny the motion, without allowance of costs, or grant the motion, with or without the allowance of absolute or conditional costs. At the hearing de novo the municipal judge shall consider the entire file of the conciliation court together with any subsequent affidavits of showing made by either party.

(d) The clerk of municipal court shall send a copy of the order made after the de novo hearing to both parties and return the file to the clerk of conciliation court."

Page 5, line 4, delete "*Notice of the fact*"

Page 5, delete lines 5 to 9

Page 5, line 10, delete "*posted in the court building.*"

Page 5, after line 14, insert:

"Sec. 12. Minnesota Statutes 1978, Section 488A.31, Subdivision 4, is amended to read:

Subd. 4. [HEARING, DATE; SUMMONS.] When an action has been commenced, the administrator shall set a date for court hearing and advise the plaintiff of the date set. The administrator shall promptly summon the defendant by mail. The summons shall state the amount and nature of the claim; shall require the defendant to appear at the hearing; shall specify that if he does not appear judgment by default will be entered against him for the relief demanded and shall summarize the requirements for filing a counterclaim. Unless otherwise ordered by a judge, the hearing date shall be not less than ~~ten~~ 15 days from the date of mailing or service of the summons.

Sec. 13. Minnesota Statutes 1978, Section 488A.31, Subdivision 5, is amended to read:

Subd. 5. [COUNTERCLAIM.] (a) The defendant may interpose as a counterclaim any claim within the jurisdiction of the court which he has against the plaintiff whether or not arising out of the transaction or occurrence which is the subject matter of the plaintiff's claim.

(b) The counterclaim shall be interposed by filing with the

administrator a brief statement of the amount, date of accrual and nature of the counter claims, verified by the defendant, his attorney or agent, and paying a filing fee of \$3 to the administrator. The administrator shall draw up the counterclaim on request.

(c) The administrator shall note the filing of the counterclaim on the original claim, promptly notify the plaintiff by mail of the filing and set the counterclaim for hearing on the same date as the original claim.

(d) The counterclaim shall be filed not less than *five ten* days before the date set for court hearing. The judge, in his discretion, may thereafter allow the filing of a written or oral counterclaim before or after hearing the merits of the claim and counterclaim. The judge, in his discretion, may require the payment of absolute or conditional costs up to \$25 by the defendant to the plaintiff as a condition of allowing late filing in the event that a continuance is requested by the plaintiff and is granted because of *such the* late filing.

(e) If the defendant has a counterclaim which exceeds the jurisdiction of the court and the defendant files an affidavit by himself, his attorney or agent with the administrator not less than *five ten* days before the date set for court hearing showing that he has filed with the administrator of a specified other court of competent jurisdiction a complaint seeking recovery from the plaintiff on the counterclaim and stating the nature and amount thereof, the administrator shall strike the action from the calendar and so advise the plaintiff by mail. If the plaintiff not less than 30 days nor more than three years after the filing of such affidavit shall file an affidavit showing that he has not been served with a summons in the other action or that the other action has been finally determined, the administrator shall again set the cause for court hearing and summon the defendant in the same manner as for the initial hearing and the court shall proceed to hear and determine plaintiff's claim. If no such counter-affidavit is filed by plaintiff within three years, his original claim is dismissed without prejudice without any further action by the administrator or any judge. Prior to the expiration of this three year period the plaintiff's original claim may be dismissed by plaintiff or by court order at a hearing upon motion of the defendant.

Sec. 14. Minnesota Statutes 1978, Section 488A.33, Subdivision 2, is amended to read:

Subd. 2. [ENTRY OF JUDGMENT.] The administrator shall enter judgment forthwith as ordered by the court, dating the judgment entry the same date as notice is mailed to the parties. Unless: (1) otherwise ordered by a judge, (2) payment has been made in full, (3) removal to municipal court has been perfected or (4) an order vacating the prior order has been filed, the judgment so entered by the administrator becomes final ~~ten~~ 15 days after the mailing of notice.

Sec. 15. Minnesota Statutes 1978, Section 488A.33, Subdivision 5, is amended to read:

Subd. 5. [VACATION OF ORDER FOR JUDGMENT WITHIN FIFTEEN DAYS.] When a default judgment or a judgment of dismissal on the merits has been ordered for failure to appear, the judge, within ~~ten~~ 15 days after notice thereof was mailed, may vacate the order for judgment ex parte and grant a new hearing, if the defaulting party shows lack of notice, mistake, inadvertence, or excusable neglect as the cause of his failure to appear. Absolute or conditional costs not exceeding \$25 to the other party may be ordered as a prerequisite to that relief. The administrator shall notify the other party by mail of the new hearing date."

Page 6, line 1, delete "file with the court" and insert "mail to the judgment creditor"

Page 6, line 8, after "to" insert "satisfy the judgment or"

Page 6, line 9, delete "return" and insert "mail"

Page 6, line 9, delete "court" and insert "judgment creditor"

Page 6, line 9, delete "one week" and insert "seven days"

Page 6, line 10, delete "receipt" and insert "service of the order"

Page 6, line 11, delete "party" and insert "judgment debtor"

Page 6, line 11, delete everything after "who"

Page 6, line 12, delete the comma

Page 6, after line 13, insert:

"Sec. 17. Minnesota Statutes 1978, Section 488A.33, Subdivision 8, is amended to read:

Subd. 8. [VACATION OF JUDGMENT AFTER FIFTEEN DAYS.] When a defendant shows that he did not receive a summons before the hearing within sufficient time to permit a defense and that he did not receive notice of the order for default judgment within sufficient time to permit him to make application for relief within ~~ten~~ 15 days or shows other good cause, a judge may vacate a default judgment after notice to the plaintiff and grant a new hearing on the merits with or without payment of absolute or conditional costs. The administrator shall notify the parties by mail of the new hearing date.

Sec. 18. Minnesota Statutes 1978, Section 488A.34, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be so removed unless all the following acts are performed by the aggrieved party within ~~ten~~ 15 days after the date the administrator mailed to him notice of the order for judgment:

(a) Serve on the opposing party or his attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party by mail or by personal service in accordance with the provisions for personal service of a summons in the municipal court or shall be

made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) File with the administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or his attorney cannot be found and service of the demand ~~be is~~ made within the ~~ten-day~~ 15 day period, the aggrieved party may file with the administrator within the ~~ten-day~~ 15 day period the original and a copy of the demand, together with an affidavit by himself or his attorney showing that due and diligent search has been made and that the opposing party or his attorney cannot be found and the filing of this affidavit shall serve in lieu of making service and filing proof of service. When such an affidavit is filed, the administrator shall mail the copy of the demand to the opposing party at his last known address.

(c) File with the administrator of conciliation court an affidavit by the aggrieved party or his attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Pay to the administrator of conciliation court \$6 when the demand is for trial by court, plus \$6 additional when the demand is for trial by a jury of six.

Sec. 19. Minnesota Statutes 1978, Section 488A.34, Subdivision 12, is amended to read:

Subd. 12. [LIMITED REMOVAL OF CAUSE, PROCEDURE.]

(a) When a motion for vacation of a judgment or an order for judgment under section 488A.33, subdivisions 5 or 8, has been denied, the aggrieved party may demand limited removal to the municipal court for hearing de novo of his motion. The demand for limited removal and notice of the hearing de novo must be served by the aggrieved party on the other party in accordance with the provisions of subdivision 2, clause (a), and the original demand and notice, with proof of service, must be filed with the administrator of conciliation court within ~~ten~~ 15 days after the motion has been denied, or the original and one copy of the demand and notice, together with an affidavit similar to that required by subdivision 2, clause (b), must be filed with the administrator of conciliation court within ~~said ten~~ the 15 day period. When such an affidavit is filed, the administrator shall then mail the copy of the demand and notice to the other party at his last known residence address. The aggrieved party shall pay a fee of \$3 to the clerk of conciliation court for filing the demand and notice and this fee shall not be recoverable as a disbursement. The notice shall set a date for hearing de novo at a special term of the municipal court not less than ten days nor more than 30 days subsequent to the date of filing the original demand and notice.

(b) The administrator of conciliation court thereupon shall pay over to the municipal court the \$3 fee and shall file in municipal court the removal demand and notice together with all orders,

affidavits, and other papers filed in conciliation court. The administrator of municipal court shall then place the cause on the special term calendar of the municipal court for hearing on the date specified in the notice.

(c) A municipal judge, other than the conciliation judge who denied the motion, shall hear the motion de novo at special term and may deny the motion, without allowance of costs, or grant the motion, with or without the allowance of absolute or conditional costs. At the hearing de novo the municipal judge shall consider the entire file of the conciliation court together with any subsequent affidavits of showing made by either party.

(d) The administrator of municipal court shall send a copy of the order made after the de novo hearing to both parties and return the file to the administrator of conciliation court."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 4 and 5

Page 1, line 6, delete "conciliation court;"

Page 1, line 8, after the first semicolon, insert "changing certain deadlines;"

Page 1, line 10, delete "subdivisions" and insert "a subdivision"

Page 1, line 10, after the second semicolon, insert "488A.14, Subdivisions 4 and 5;"

Page 1, line 11, delete "Subdivision 8" and insert "Subdivisions 2, 5, 6 and 8"

Page 1, line 11, after the first semicolon, insert "488A.17, Subdivisions 2 and 3;"

Page 1, line 11, delete "and" and insert "488A.31, Subdivisions 4 and 5;"

Page 1, line 12, delete "Subdivision" and insert "Subdivisions 2, 5,"

Page 1, line 12, after "7" insert "and 8; and 488A.34, Subdivisions 2 and 12"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

H. F. No. 1169: A bill for an act relating to census taking; providing for the taking of special censuses by the United States bureau of the census rather than the secretary of state; providing for the approval of school district population estimates by the state demographer; providing for annual population estimates of governmental subdivisions by the state demographer and their use

in the computation of tax levy limits and local government aid; abolishing the authority of the municipal board to determine the population of municipalities and towns; amending Minnesota Statutes 1978, Sections 4.12, Subdivision 7; 275.14; 275.45; 275.53; 414.01, Subdivision 14; 477A.01, Subdivision 4; and Chapter 477A, by adding a section; repealing Minnesota Statutes 1978, Sections 365.61; and 414.033, Subdivision 8.

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

Page 1, line 23, strike "director of planning or his designee" and insert "*state demographer*"

Page 2, line 32, after "*subdivision*" insert "*for which the metropolitan council does not prepare an annual population estimate,*"

Page 3, after line 1, insert:

"Sec. 2. Minnesota Statutes 1978, Section 123.32, Subdivision 12, is amended to read:

Subd. 12. No one election district shall contain more than 20 percent of the total population of the district according to the most recent ~~state or~~ federal decennial census; or the district may conduct a special census for the purpose."

Page 3, line 5, strike "respective state or"

Page 4, lines 3 and 4, strike "or state"

Page 4, line 5, strike "state or"

Page 5, line 24, strike ", state,"

Page 6, line 2, strike "respective state or"

Page 6, lines 7 and 8, strike "respective state or "

Page 6, line 10, strike "tenth"

Page 6, delete line 23, and insert:

"Sec. 5. Minnesota Statutes, 1979 Supplement, Section 275.53. Subdivision 1, is"

Delete Page 6, line 25, to page 7, line 11, and insert:

"275.53 [GOVERNING CENSUS.] Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter or the amount of aid that a city or township may receive pursuant to section 477A.01, the population of the governmental subdivision shall be that established by the last ~~state or~~ federal census, ~~or by a special census taken within the entire governmental subdivision pursuant to sections 275.50 to 275.56 or to any other law,~~ by a census taken pursuant to subdivision ~~1a or~~ 2, or by a population estimate made by the metropolitan council, by an order of the Minnesota municipal board

pursuant to section 414.01, subdivision 14, or by an *the population estimate of the state demographer* made pursuant to subdivision 3 section 4.12, subdivision 7, clause (10) , whichever is the most recent as to the stated date of count or estimate, up to and including ~~October~~ *July 1* of the current levy year. Population changes established after ~~October~~ *July 1* of the current levy year shall not be used in determining the levy limitation of a governmental subdivision for the current levy year under sections 275.50 to 275.56."

Page 7, after line 11, insert:

"Sec. 6. Minnesota Statutes 1978, Section 275.53, Subdivision 2, is amended to read:"

Page 7, line 16, after "subdivision" insert "*to determine the current population of the governmental subdivision* "

Page 7, line 17, after "levy" insert "*or aid received pursuant to section 477A.01* "

Delete page 7, line 27, to page 9, line 25, and insert:

"Sec. 7. Minnesota Statutes 1978, Section 275.53, Subdivision 3, is amended to read:

Subd. 3. (a) *In lieu of passing a resolution pursuant to subdivision 2, the governing body of a governmental subdivision may pass by June 1 of any year a resolution containing an estimate of the current population of the subdivision. The resolution shall describe the criteria upon which the estimate is based, and shall state that the estimate is made for purposes of increasing that subdivision's tax levy pursuant to sections 275.50 to 275.56 or local government aids pursuant to section 477A.01. The resolution shall be in the form and accompanied by the data required by the state planning agency. In any year in which the population estimate for a governmental subdivision provided by the state demographer pursuant to subdivision 4 increases the amount of tax that the governmental subdivision may levy pursuant to sections 275.50 to 275.56, the governing body of the governmental subdivision shall publish notice of the estimate and the fact that it may result in an increased tax levy at least once in a legal newspaper of general circulation in the subdivision by August 1.*

(b) *The resolution shall then be submitted to the state planning agency. The agency shall determine, and inform the subdivision in writing within 30 days of receipt of the resolution, whether the criteria and process described therein do or do not provide a reasonable basis for the population estimate. The estimate prepared by the subdivision shall be reviewed by the state planning agency with reference to county population estimates prepared by the state demographer. The state demographer's county population estimates will be used as a county control.*

(c) *(b) If the agency determines that the criteria and process used by the subdivision do not provide a reasonable basis for the population estimate, the resolution shall be of no effect. If the*

agency determines that the criteria do provide a reasonable basis for the population estimate, the resolution shall be published at least once in a legal newspaper of general circulation in said subdivision. Said estimate may be used for computing the amount of ad valorem taxes the subdivision may levy, unless Within 30 days following the publication of the resolution notice , 10 percent or more of the registered voters of the subdivision, or , if the subdivision does not require voter registration, then 10 percent or more of its voters, who voted at the subdivision's last election, may sign and submit to the governing body of this subdivision a petition demanding a special census ; and submit the petition to the governing body of the subdivision .

(d) (c) Attached to the petition shall be an affidavit executed by the circulator or circulators thereof, stating that he or they personally circulated the petition, the number of signatures thereon, that all signatures were affixed in his or their presence and that he or they believe them to be genuine signatures of the persons whose names they purport to be. Each signature need not be notarized.

(e) (d) Upon the receipt of a petition conforming to this subdivision, the governing body shall pass a resolution requesting the secretary of state to take contract for the taking of a special census of the governmental subdivision. The census shall be taken and financed pursuant to the provisions of subdivision 2. Any population estimate made by the governing body of any governmental subdivision shall be superseded by any subsequent state or federal census taken pursuant to sections 275.50 to 275.56 or any other law, or by a population estimate made by the metropolitan council or the state demographer. The governing body of a governmental subdivision may not avail itself of the provisions of this subdivision during any year for which any state or federal census has been taken or for which the metropolitan council has made a population estimate of the subdivision.

Sec. 8. Minnesota Statutes 1978, Section 275.53, is amended by adding a subdivision to read:

*Subd. 4. In any year in which the annual population estimate of the state demographer is the population of a governmental subdivision pursuant to subdivision 1, the governing body of the governmental subdivision may challenge the accuracy of the estimate by notifying the state demographer of its objections to the estimate by June 1. If the governing body of the governmental subdivision and the state demographer agree on a revised population estimate by July 1, the revised estimate shall become the annual population estimate of the state demographer for that governmental subdivision for that year.*

Sec. 9. Minnesota Statutes 1978, Section 275.59, is amended to read:

275.59 [GOVERNMENTAL SUBDIVISIONS UNDER 2,500 POPULATION; EXEMPTION FROM LEVY LIMITS.] Commencing with levy year 1975 and thereafter, taxes payable in 1976

and thereafter, the provisions of sections 275.50 to 275.52 and 275.54 to 275.56 shall not apply to any city, statutory city or town with statutory city powers whose population according to the latest state or federal census is under 2,500.

Sec. 10. Minnesota Statutes 1978, Section 326.40, Subdivision 1, is amended to read:

326.40 [LICENSING, BOND AND INSURANCE.] Subdivision 1. [PLUMBERS MUST BE LICENSED IN CERTAIN CITIES; MASTER AND JOURNEYMAN PLUMBERS; PLUMBING ON ONE'S OWN PREMISES; RULES FOR EXAMINATION.] In any city now or hereafter having 5,000 or more population, according to the last federal or state census, and having a system of waterworks or sewerage, no person, firm, or corporation shall engage in or work at the business of a master plumber or journeyman plumber unless licensed to do so by the state commissioner of health. A master plumber may also work as a journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standard prescribed by the state commissioner of health on premises or that part of premises owned and actually occupied by him as his residence, unless otherwise forbidden to do so by a local ordinance.

In any such city no person, firm, or corporation shall engage in the business of installing plumbing nor install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person, firm, or corporation.

The department of health shall prescribe rules, not inconsistent herewith, for the examination and licensing of plumbers.

Sec. 11. Minnesota Statutes 1978, Section 326.60, Subdivision 1, is amended to read:

326.60 [WATER CONDITIONING CONTRACTORS AND INSTALLERS MUST BE LICENSED IN CERTAIN CITIES.] Subdivision 1. In any city or town now or hereafter having a population of 5,000 or more according to the last federal or state census, no person, firm, or corporation shall engage in or work at the business of water conditioning installation or servicing after January 1, 1970, unless (a) at all times a person licensed as a water conditioning contractor by the state commissioner of health shall be responsible for the proper water conditioning installation and servicing work of such person, firm, or corporation, and (b) all installations, other than exchanges of portable equipment, are actually made by a licensed water conditioning contractor or licensed water conditioning installer. Anyone not so licensed may do water conditioning work which complies with the provisions of the minimum standard prescribed by the state commissioner of health on premises or that part of premises owned and actually occupied by him as his residence, unless otherwise forbidden to do so by a local ordinance.

Sec. 12. Minnesota Statutes 1978, Section 368.03, is amended to read:

368.03 [LAST PRECEDING CENSUS TO GOVERN.] In determining the application of sections 368.02 to 368.11 to any such town, the population thereof shall be determined by the last preceding state or federal census and the valuation shall be that used as a basis for spreading the 1932 taxes of the town.

Sec. 13. Minnesota Statutes 1978, Section 375.025, Subdivision 1, is amended to read:

375.025 [COMMISSIONER DISTRICTS.] Subdivision 1. [STANDARDS.] The redistricting plan in use in a county shall be effective and continue to be used until a redistricting plan is adopted in accordance with the provisions of this section. Each county shall be divided into as many districts numbered consecutively as it has members of the county board. Commissioner districts shall be bounded by town, municipal, ward, or precinct lines. Each district shall be composed of contiguous territory as regular and compact in form as practicable, depending upon the geography of the county involved and shall be as nearly equal in population as possible, provided that no district shall vary in population more than 10 percent from the average for all districts in the county, unless the result forces a voting precinct to be split. In addition, a majority of the least populous districts shall contain not less than a majority of the population of the county. A county may be redistricted by the county board after each state or federal census. When it appears after a federal census that the districts of the county are not in accord with the standards set forth in this subdivision, the county shall be redistricted by the county board within 180 days of the date on which certified copies of the latest federal census are filed with the secretary of state in accordance with section 600.18. Before acting to redistrict a county, the county board or a redistricting commission, if one be appointed, shall cause at least three weeks published notice of its purpose to do so, stating the time and place of the meeting where the matter will be considered, to be published in the newspaper having the contract for publishing the commissioners' proceedings for the county for the current year.

Sec. 14. Minnesota Statutes 1978, Section 376.31, is amended to read:

376.31 [APPROPRIATIONS, BONDS, STATE'S CONTRIBUTION, LEVIES.] A county or group of counties wishing to establish a sanatorium, as indicated in section 376.28, shall, through the board or boards of county commissioners, appropriate one-half of the necessary funds in apportioned amounts, as hereafter provided, for the establishment, construction, and equipment of the same and may issue bonds therefor in the manner provided by law for the issuance by counties of bonds for other purposes. The state treasurer shall pay, out of the funds hereafter provided under sections 376.28 to 376.42, one-half the cost of the erection and equipment of each such sanatorium, including cost of site,

which payment shall be made in the manner provided by law for the payment of expense incurred by the commissioner of administration in the erection and equipment of public buildings; provided, that the amount contributed by the state towards the cost of the erection and equipment of each such sanatorium, including cost of site, shall not exceed \$50,000. When any such sanatorium has been erected and equipped the county sanatorium commission shall have full charge and control of the maintenance of the same, but may confer with the commissioner of administration with reference thereto or respecting the purchase of supplies therefor whenever it desires so to do, and the commissioner of administration shall aid in the securing of favorable contracts for the purchase of supplies when so called upon. The county sanatorium commission shall determine, by resolution, each year, prior to July first, the amount of money necessary for the maintenance of such sanatorium during the following year and a certified copy of the resolution shall be forthwith forwarded to the board or boards of county commissioners, and such board or boards may, in their discretion, at the regular meeting in July, include the properly approved and apportioned amount in the annual levy of county taxes. In no case shall the amount of such levy in any one year exceed one-third of one mill on the dollar of assessed valuation. For the maintenance of each free patient treated in the sanatorium 50 percent of the actual cost of care of each free patient, except that the amount of state aid shall not exceed \$7.50 per week before July 1, 1956, and \$2.50 per patient day beginning July 1, 1956, shall be paid to the county or group of counties by the state treasurer out of funds appropriated under sections 376.28 to 376.42, which payments shall be made monthly upon warrants of the commissioner of finance, drawn upon the state treasurer; provided, that the commissioner of public welfare certifies that the institution has been properly conducted; provided, further, in a county having an assessed valuation of real and personal property of less than \$7,000,000 and the required total mill levy for all costs, including administrative costs, for all forms of public assistance exceeds by 50 percent or more the average required mill levy for these costs in all counties of the state, and the levy is insufficient to pay the county's share of these costs, the state pays 75 percent of the actual cost of care of each free patient. In case two or more counties unite in a decision to establish a sanatorium, the county sanatorium commission shall apportion, by resolution, one-half the estimated total cost of site, erection, and equipment and the estimated total cost of maintenance for the ensuing year between or among the counties, and designate the amount to be raised by each county, which apportionment shall be based approximately upon the respective population of the counties, as determined by the last previous federal or state census, except that when the county boards of such counties shall agree upon a different apportionment of such cost of maintenance such agreed apportionment shall govern. When so apportioned the commission shall forward to the board of county commissioners of each county a certified copy of such resolution, and each county board shall then proceed to pay, if it has funds available for that purpose, or to make a tax levy for the amount apportioned to its county. All

moneys collected or received for such sanatorium purposes, except cost of site, erection, and equipment, shall be deposited in the treasury of the county or counties to the credit of the tuberculosis sanatorium funds, and shall not be used for any other purpose and shall be paid out in a manner provided by law for other county expenses by the proper officers of the county or counties upon the properly authenticated vouchers of the county sanatorium commission, signed by the president and the secretary thereof, and all moneys collected or received to be used toward the payment of the cost of site, erection, and equipment of such sanatorium shall be sent by each county treasurer to the state treasurer to be placed to the credit of the sanatorium and shall be paid out in the manner as in this section provided for other payments toward cost of site, erection, and equipment of the sanatorium.

Sec. 15. Minnesota Statutes 1978, Section 395.08, is amended to read:

395.08 [APPROPRIATIONS FOR CERTAIN AGRICULTURAL DEVELOPMENTS.] The board of county commissioners of any county in this state may appropriate annually out of the general revenue fund of such county, a sum of money not exceeding a sum equal to five cents per capita of the population of such county according to the latest *federal* census, either *federal* or *state*, of such county and not to exceed \$25,000 for any one county. Such sum so appropriated shall be paid to any incorporated development society or organization of this state which, in the opinion of the board, will use such money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county, and such other matter as may tend to a development of the county.

Sec. 16. Minnesota Statutes 1978, Section 447.34, Subdivision 1, is amended to read:

447.34 [PAYMENT OF EXPENSES; TAXATION.] Subdivision 1. Expenses of acquisition, betterment, administration, operation, and maintenance of all hospital and nursing home facilities operated by any hospital district, expenses incurred pursuant to section 447.331, subdivision 1, and the expenses of organization and administration of such district and of planning and financing such facilities, shall be paid from the revenues derived from such facilities, and to the extent necessary, from ad valorem taxes levied by the hospital board upon all taxable property situated within the district, and, to the extent determined from time to time by the board of county commissioners of any county in which territory of the district is situated, from appropriations made by said board in accordance with the provisions of section 376.08, and any future laws amending or supplementing the same. Any moneys appropriated by such board of county commissioners for the acquisition or betterment of facilities of the hospital district may be transferred in the discretion of the hospital board to a sinking fund for bonds issued for that purpose. The hospital board may agree to repay to the county any sums appropriated by the board of county commissioners for this purpose, out of the net

revenues to be derived from operation of its facilities, and subject to such terms as may be agreed upon. No taxes levied by a hospital district in any year, other than taxes levied for payment of bonded indebtedness, shall exceed in amount \$1.50 per capita of the population of the district according to the last state or federal census, if the amount proposed to be levied in excess of such amount, when added to the levy subject to the limitations of section 275.10 or 275.11, of any of the municipalities within the district, would cause such municipal levy to exceed the limitations of such applicable section.

Sec. 17. Minnesota Statutes, 1979 Supplement, Section 462C.07, Subdivision 2, is amended to read:

Subd. 2. The aggregate principal amount of revenue bonds or other obligations issued by a city pursuant to this section shall not exceed an amount equal to \$1,000 times its population for the first 50,000 persons, plus \$500 times its population in excess of 50,000, until otherwise provided by law. Its population shall be determined by the last state or federal census, or by the last official estimate of the metropolitan council, for a city in the metropolitan area, whichever is greater.

Sec. 18. Minnesota Statutes, 1979 Supplement, Section 471.697, Subdivision 1, is amended to read:

471.697 [FINANCIAL REPORTING; AUDITS; CITIES OF MORE THAN 2,500 POPULATION.] Subdivision 1. In any city with a population of more than 2,500 according to the latest state or federal census, the city clerk or chief financial officer shall:

(a) Prepare a financial report covering the city's operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year and publish the report or a summary of the report, in a form as prescribed by the state auditor, in a newspaper in the city or, if there be none, post copies in three of the most public places in the city. The report shall contain financial statements and disclosures which present the city's financial position and the results of city operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in his office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.

Sec. 19. Minnesota Statutes, 1979 Supplement, Section 471.698, Subdivision 1, is amended to read:

471.698 [FINANCIAL REPORTING; CITIES OF LESS THAN 2,500 POPULATION.] Subdivision 1. In any city with a population of less than 2,500 according to the latest state or federal census, the city clerk or chief financial officer shall:

(a) Prepare a detailed statement of the financial affairs of the city including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions in the style and form prescribed by the state auditor, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer; the amount of outstanding and unpaid orders; all accounts payable; all indebtedness; contingent liabilities; all accounts receivable; the amount of money remaining in the treasury; and all items necessary to show accurately the revenues and expenditures and financial position of the city;

(b) File the statement in his office for the public inspection and present it to the city council within 45 days after the close of the fiscal year;

(c) (1) Publish the statement within 60 days after the close of the fiscal year in a newspaper published in the city; or

(2) If there is no newspaper in the city, the clerk shall, at the direction of the city council, publish the statement in the official newspaper published elsewhere or post copies in three of the most public places in the city; or

(3) If city council proceedings are published monthly or quarterly, showing to whom and for what purpose orders are drawn upon the treasurer, the annual statement to be published as required by this section may be summarized in such form as the state auditor may prescribe; and

(d) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor in such summary form as the state auditor may prescribe.

Sec. 20. Minnesota Statutes 1978, Section 641.264, Subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES; APPORTIONMENT OF COSTS.] The county board of each cooperating county shall annually levy a tax in an amount necessary to defray its proportion of the net costs of maintenance and operation of the regional jail after deduction of payments for the care of inmates, and in addition shall levy a tax to repay the cost of construction or acquisition, equipping, and any subsequent improvement of the regional jail and for the retirement of any bonds issued for these purposes. The county board may levy these taxes without limitation as to the rate or amount, and the levy of these taxes shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any such limitation, to be reduced in any amount whatsoever. The regional jail board shall apportion the costs of maintenance and operation, and of construction or acquisition, equipping, and improvement of the jail to each county on the basis of the proportion that the population in that county bears to the total

population in all of the cooperating counties, the population figures to be determined by the last previous federal or state census.

Sec. 21. Minnesota Statutes 1978, Section 645.44, Subdivision 8, is amended to read:

Subd. 8. [POPULATION; INHABITANTS.] When used in reference to population, "population" and "inhabitants" mean that shown by the last preceding *federal decennial census, state or United States*, unless otherwise expressly provided."

Delete page 9, line 26, to page 11, line 15

Delete page 11, line 32, to page 13, line 2

Page 13, line 4, before "are" insert "*and Minnesota Statutes, 1979 Supplement, Section 275.53, Subdivision 1a,*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 13 to 18 and insert: "towns; removing references to a state census; amending Minnesota Statutes 1978, Sections 4.12, Subdivision 7; 123.32, Subdivision 12; 275.14; 275.45; 275.53, Subdivisions 2 and 3, and by adding a subdivision; 275.59; 326.40, Subdivision 1; 326.60, Subdivision 1; 368.03; 375.025, Subdivision 1; 376.31; 395.08; 414.01, Subdivision 14; 447.34, Subdivision 1; 641.264, Subdivision 2; 645.44, Subdivision 8; Minnesota Statutes, 1979 Supplement, Sections 275.53, Subdivision 1; 462C.07, Subdivision 2; 471.697, Subdivision 1; 471.698, Subdivision 1; and repealing Minnesota Statutes 1978, Sections 365.61; 414.033, Subdivision 8; and Minnesota Statutes, 1979 Supplement, Section 275.53, Subdivision 1a."

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 1631: A bill for an act relating to energy; stating legislative energy policy; establishing a joint legislative committee on energy; providing grants and assistance for community energy planning; modifying certain need certification procedures; allowing certain utility expenses; expanding consumer representation in certain energy hearings; appropriating money; amending Minnesota Statutes 1978, Sections 45.17, by adding subdivisions; 116H.01; Minnesota Statutes, 1979 Supplement, Section 116H.13, Subdivisions 3, 5, and 7.

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

Page 2, line 1, after the period insert "*In performing its duties pursuant to this subdivision, the section shall follow the guidelines established pursuant to subdivision 6, clause (1).*"

Page 2, line 13, after the period insert "*In performing its duties*

*pursuant to this subdivision, the section shall follow the guidelines established pursuant to subdivision 6, clause (1)."*

Page 3, line 26, delete "COMMITTEE" and insert "COMMISSION"

Page 3, line 28, delete "committee" and insert "commission"

Page 4, lines 1, 2, 4, 18, 23, and 27, delete "committee" and insert "commission"

Page 8, line 7, delete underscoring from "Sec. 9."

Page 8, line 10, delete "committee" and insert "commission"

Page 8, line 22, delete underscoring from "Sec. 10."

Page 8, line 23, after the period insert "*The provisions of section 4 shall expire on July 1, 1987.*"

Amend the title as follows:

Page 1, line 3, delete "committee" and insert "commission"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1965: A bill for an act relating to retirement; local police and salaried firefighters' relief associations; authorizing certain municipalities to modify retirement coverage and benefits for certain police officers and firefighters by local action; establishing a local police and salaried firefighters' relief association amortization state aid program; appropriating money; amending Minnesota Statutes 1978, Section 69.77, Subdivision 2.

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

Pages 1 to 6, delete section 1 and insert:

"Section 1. Minnesota Statutes 1978, Section 69.77, Subdivision 2, as amended by Laws 1980, Chapter 341, Section 1, is amended to read:

Subd. 2. Subdivision 1 does not apply to an association enumerated in subdivision 1a under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1981, a contribution for retirement and survivorship benefits of not less than eight percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that such contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year,

any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firefighters, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

The financial requirements shall be based on the most recent actuarial survey prepared in accordance with sections 356.215, subdivision 4 and 356.216.

*For a relief association which is located in a municipality which has adopted and filed a resolution as provided in section 2, subdivision 1, or section 4, the total of the amounts calculated pursuant to clauses (a) and (c) shall constitute the financial requirements of the relief association for the following year. For a relief association which is located in a municipality which has not adopted and filed a resolution as provided in section 2, subdivision 1, or section 4, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year.*

(a) The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

(b) To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

~~The total of these two amounts represents the financial requirements of the association for the following year.~~

*(c) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial survey of the fund.*

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial requirements of the association less the estimated amount of member contributions herein provided from covered salary anticipated for the following calendar year and less one year's estimated receipts expected from the applicable state of Minnesota through state collected insurance premium taxes or other state aids aid

*program established pursuant to sections 69.011 to 69.051, and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 3. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.*

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body *on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.*

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the officers of the association shall certify that amount to the county auditor, who shall spread a levy in the amount of such obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments for funds of the Minnesota state retirement system, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation applicable to the Minnesota state retirement system would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not

meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21, provided that there be no share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter. The association shall also procure a quadrennial experience study pursuant to section 356.216 as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year."

Page 6, after line 13, insert:

"Sec. 2. Minnesota Statutes 1978, Section 353.657, Subdivision 3, is amended to read:

Subd. 3. Each dependent child, until the child reaches the age of 18 years, shall receive a monthly benefit equal to ten percent of the member's average monthly salary earned as a police officer or fire fighter on which employee contributions were paid over the last full six months of allowable service preceding death. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such the child. The maximum monthly benefit for any one family shall not exceed \$450 *an amount equal to 50 percent of the member's specified average monthly salary*, and the minimum benefit per family shall not be less than 30 percent of the member's *said specified average monthly salary*; *subject to the aforementioned maximum.*"

Page 11, line 2, after "*municipality*" insert "*, except the city of Minneapolis,*"

Page 13, after line 27, insert:

"Sec. 5. [ALTERNATIVE BENEFIT INCREASE.] *Notwithstanding any contrary provision of Laws 1969, Chapters 641 or 694, and in lieu of the benefit increase provided for in section 2, subdivision 4, the governing body of a participating municipality is authorized by resolution approved by a majority of the members of the governing body, following consideration of an actuarial analysis of the effect of any change, to increase the service pension*

or retirement benefits provided by or modify any provision of the benefit plan of either a police relief association or a firefighters relief association. The total cost of any increase or modification, including amortization by the applicable date to amortize specified in any prior applicable special legislation, shall not exceed 1.26 percent of covered payroll.

**Sec. 6. [MINNEAPOLIS POLICE AND FIREFIGHTERS RELIEF ASSOCIATIONS: MINIMUM MEMBER CONTRIBUTION.]** Notwithstanding any provision of Minnesota Statutes, Section 69.77, or any other law to the contrary, the minimum employee contribution to the special fund of the relief association for retirement and survivorship benefits by each member of the Minneapolis police relief association or the Minneapolis firefighters relief association, during the remaining term of covered employment by the member shall be seven percent of the maximum salary from which retirement and survivorship credits and amounts of benefits are determined, effective July 1, 1980, and eight percent effective January 1, 1981.

**Sec. 7. [HEALTH AND WELFARE BENEFIT.]** Notwithstanding any law to the contrary, any person who, after July 1, 1980, retires on a service pension or a disability benefit from the Minneapolis police relief association or the Minneapolis firefighters relief association shall be entitled on January 1, 1981, or upon the date of retirement, whichever occurs later, to receive a monthly health and welfare benefit. The monthly health and welfare benefit shall be an amount equal to one unit as defined pursuant to Laws 1963, Chapter 315, Section 1, Subdivision 3, for the Minneapolis police relief association, or Minnesota Statutes, Section 69.45, for the Minneapolis firefighters relief association, whichever is applicable. The monthly health and welfare benefit shall be paid to the retired member unless the retired member designates in writing that the amount be paid to an insurance carrier to defray the cost of any health or welfare related insurance coverage.

**Sec. 8. [DETERMINATION OF FINANCIAL REQUIREMENTS OF RELIEF ASSOCIATION AND MINIMUM MUNICIPAL OBLIGATION.]** The officers of the Minneapolis police relief association and the Minneapolis firefighters relief association shall include in their determinations of the financial requirements of the relief association and the minimum obligation of the governmental subdivision submitted to the city of Minneapolis on or before September 1, 1980, pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, Clauses (2) and (3), the cost of the health and welfare benefit as estimated by the actuary of the respective relief association based on the most recent actuarial valuation of the relief association prepared pursuant to Minnesota Statutes, Sections 69.77, 356.215 and 356.216. The city of Minneapolis shall provide sufficient financial support to each relief association to meet the minimum obligation of the governmental subdivision including the cost of the health and welfare benefit, effective January 1, 1981."

Page 13, line 30, after the period insert "Any benefit change pursuant to section 5 shall be effective upon approval by the govern-

*ing body of the municipality and upon compliance with Minnesota Statutes, Section 645.021, Sections 6, 7, and 8 are effective upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "program;" insert "authorizing the governing body of a municipality to make certain modifications in the benefit of police and firefighters relief associations; establishing benefits and contribution levels in the city of Minneapolis;"

Page 1, line 10, delete "Section" and insert "Sections"

Page 1, line 10, after "2" insert ", as amended; and 353.657, Subdivision 3"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for March 22, 1979:

**METROPOLITAN COUNCIL  
CHAIRMAN**

Charles Weaver

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal for April 9, 1979:

**METROPOLITAN COUNCIL**

Martin N. Kellogg  
Charles L. Rafferty  
George C. Dahlvang  
Gladys S. Brooks  
Ernest A. Lindstrom  
Dirk deVries  
Marcia L. Bennett  
Kathleen C. Ridder

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for March 29, 1979:

**METROPOLITAN COUNCIL**

**Roger H. Scherer**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for February 4, 1980:

**METROPOLITAN COUNCIL**

**Patricia J. Hasselmo**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

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

S. F. No. 1633: A bill for an act relating to veterans; modifying the duties, authority and scope of operations of the department of veterans affairs; authorizing the commissioner of veterans affairs to accept uncompensated voluntary services; entitling uncompensated voluntary workers to the benefits of workers' compensation; providing for the appointment of the commissioner of veterans affairs as the guardian of an estate; revising the veterans home eligibility requirements; amending Minnesota Statutes 1978, Sections 196.05; 196.051; 197.06; 198.01; and Minnesota Statutes, 1979 Supplement, Section 176.011, Subdivision 9.

Reports the same back with the recommendation that the report from the Committee on Veterans' Affairs shown in the Journal for February 18, 1980 "And when so amended the bill do pass" be adopted and the bill be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1759, 1789, 1734, 1842, 1653, 1802, 1054, 1605, 407, 1573, 1725, 1807, 1449, 1674, 1775, 1812, 1659, 1661, 1736, 1843, 1887, 1719, 1675, 1658, 1741 and 1630 makes the following report:

That the above Senate Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35: S. F. Nos. 1975 and 2127

Reports the same back with the recommendation that the bills be re-referred as follows:

S. F. No. 2127 to the Committee on Education.

S. F. No. 1975 to the Committee on Judiciary.

Report adopted.

#### APPOINTMENTS

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

S. F. No. 1670: Messrs. Humphrey, Dieterich, Ogdahl, Anderson and McCutcheon.

S. F. No. 410: Messrs. Davies, Knutson and Lessard.

S. F. No. 768: Messrs. Luther, Benedict and Ulland, J.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 789, 1740, 1311, 1996, 1921, 597, 1615 and 1863 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. No. 1169 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Tennessen moved that his name be stricken as co-author to S. F. No. 1113. The motion prevailed.

Mr. Keefe, S. moved that the names of Messrs. Spear and Keefe, J. be added as co-authors to S. F. No. 1581. The motion prevailed.

Mr. Solon moved that the name of Mr. Ulland, J. be added as co-author to S. F. No. 2075. The motion prevailed.

Mr. Knoll moved that the name of Mr. Merriam be added as co-author to S. F. No. 2100. The motion prevailed.

Mr. Anderson moved that the name of Mr. Merriam be added as co-author to S. F. No. 2105. The motion prevailed.

Mr. Solon moved that the name of Mr. Ulland, J. be added as co-author to S. F. No. 2106. The motion prevailed.

Mr. Sikorski moved that the names of Messrs. Setzepfandt, Stern and Nelson be added as co-authors to S. F. No. 2142. The motion prevailed.

Mr. Willet moved that S. F. No. 2139 be withdrawn from the Committee on Education and re-referred to the Committee on Finance. The motion prevailed.

Mr. Coleman, for the Committee on Rules and Administration, offered the following resolution:

**BE IT RESOLVED**, by the Senate, that the following named persons be and are hereby appointed to the positions hereinafter stated and at the salaries heretofore fixed.

Mary Jo McGuire, Page classification, effective February 18, 1980

Mark Hanson, Researcher classification, effective February 13, 1980

Rev. Edward Flahavan, Chaplain, effective February 25, 1980

Rev. Michael T. Kartes, Chaplain, effective February 28, 1980

Rev. Wayne Kendrick, Chaplain, effective March 3, 1980

Rabbi Sylvan Kamens, Chaplain, effective March 6, 1980

Rev. Roger Carroll, Chaplain, effective March 10, 1980

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

Mr. Davies moved that S. F. No. 64, No. 1 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Ulland, J.; Mrs. Knaak; Messrs. Bang, Pillsbury and Johnson introduced—

Senate Resolution No. 47: A Senate resolution relating to extending congratulations to the many Minnesotans who are members, coaches or other staff of the United States team at the XIII Olympic Winter Games.

Referred to the Committee on Rules and Administration.

Mr. Keefe, S. moved that S. F. No. 550 be taken from the table. The motion prevailed.

S. F. No. 550: A bill for an act relating to elections; regulating campaign financing; increasing certain expenditure limits; providing that a candidate's expenditure limit agreement is not binding unless agreements are signed by the candidate's opponents; amend-

ing Minnesota Statutes 1978, Sections 10A.25, Subdivision 2; and 10A.32, Subdivisions 3 and 3b.

### CONCURRENCE AND REPASSAGE

Mr. Keefe, S. moved that the Senate concur in the amendments by the House to S. F. No. 550 and that the bill be placed on its repassage as amended.

### CALL OF THE SENATE

Mr. Keefe, S. imposed a call of the Senate for the balance of the proceedings on S. F. No. 550. The following Senators answered to their names:

Anderson	Engler	Knutson	Perpich	Staples
Aahbach	Frederick	Lessard	Peterson	Stern
Bang	Gearty	Luther	Pillsbury	Stokowski
Barrette	Gunderson	Menning	Renneke	Strand
Benedict	Hanson	Merriam	Rued	Stumpf
Bernhagen	Hughes	Moe	Schmitz	Tennessee
Brataas	Jensen	Nelson	Setzepfandt	Ueland, A.
Chmielewski	Johnson	Nichols	Sieloff	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Sikorski	Willet
Davies	Kirchner	Olhoft	Sillers	
Dieterich	Knaak	Olson	Solon	
Dunn	Knoll	Omann	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Keefe, S. The motion prevailed.

S. F. No. 550: A bill for an act relating to elections; regulating campaign financing; increasing certain expenditure limits; amending Minnesota Statutes 1978, Section 10A.25, Subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 39 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	McCutcheon	Perpich	Staples
Benedict	Hughes	Menning	Peterson	Stern
Chmielewski	Johnson	Merriam	Schaaf	Stokowski
Coleman	Keefe, S.	Moe	Schmitz	Strand
Davies	Kleinbaum	Nelson	Setzepfandt	Stumpf
Dieterich	Knoll	Nichols	Sikorski	Tennessee
Gearty	Lessard	Olhoft	Solon	Willet
Gunderson	Luther	Olson	Spear	

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Pillsbury	Ueland, A.
Bang	Engler	Knaak	Renneke	Ulland, J.
Barrette	Frederick	Knutson	Rued	Wegener
Bernhagen	Jensen	Ogdahl	Sieloff	
Brataas	Keefe, J.	Omann	Sillers	

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

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

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Messrs. Davies, Merriam, Spear, Perpich and Bernhagen introduced—

S. F. No. 2202: A bill for an act relating to legal services; providing that the attorney general shall render bond counsel services to state agencies and political subdivisions; appropriating money.

Referred to the Committee on Judiciary.

### CALENDAR

S. F. No. 1652: A bill for an act relating to crimes; prescribing penalties for the possession of controlled substances on school premises; amending Minnesota Statutes 1978, Section 152.15, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Perpich	Spear
Ashbach	Frederick	Knoll	Peterson	Staples
Bang	Gearty	Lessard	Pillsbury	Stern
Barrette	Gunderson	Luther	Renneke	Stokowski
Benedict	Hanson	Menning	Rued	Stumpf
Bernhagen	Hughes	Merriam	Schaaf	Tennessee
Brataas	Jensen	Moe	Schmitz	Ueland, A.
Chmielewski	Johnson	Nelson	Setzepfandt	Ulland, J.
Coleman	Keefe, J.	Ogdahl	Sieloff	Wegener
Davies	Keefe, S.	Olhoft	Sikoraki	Willet
Dieterich	Kirchner	Olson	Sillers	
Dunn	Kleinbaum	Omann	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1722: A bill for an act relating to corrections; prescribing penalties for persons who introduce contraband into state hospitals; amending Minnesota Statutes, 1979 Supplement, Section 243.55.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Perpich	Spear
Ashbach	Frederick	Knoll	Peterson	Staples
Bang	Gearty	Lessard	Pillsbury	Stern
Barrette	Gunderson	Luther	Renneke	Stokowski
Benedict	Hanson	Menning	Rued	Strand
Bernhagen	Hughes	Merriam	Schaaf	Stumpf
Brataas	Jensen	Moe	Schmitz	Tennesen
Chmielewski	Johnson	Nelson	Setzpfandt	Ueland, A.
Coleman	Keefe, J.	Ogdahl	Sieloff	Ulland, J.
Davies	Keefe, S.	Olhoft	Sikorski	Wegener
Dieterich	Kirchner	Olson	Sillers	Willet
Dunn	Kleinbaum	Omann	Solon	

So the bill passed and its title was agreed to.

#### CONSENT CALENDAR

S. F. No. 1438: A bill for an act relating to towns; providing for the date and notice of town meetings; amending Minnesota Statutes 1978, Section 365.51.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Omann	Solon
Ashbach	Frederick	Knoll	Perpich	Spear
Bang	Gearty	Lessard	Peterson	Staples
Barrette	Gunderson	Luther	Pillsbury	Stern
Benedict	Hanson	Menning	Renneke	Stokowski
Bernhagen	Hughes	Merriam	Rued	Strand
Brataas	Jensen	Moe	Schaaf	Stumpf
Chmielewski	Johnson	Nelson	Schmitz	Ueland, A.
Coleman	Keefe, J.	Nichols	Setzpfandt	Ulland, J.
Davies	Keefe, S.	Ogdahl	Sieloff	Wegener
Dieterich	Kirchner	Olhoft	Sikorski	Willet
Dunn	Kleinbaum	Olson	Sillers	

So the bill passed and its title was agreed to.

#### GENERAL ORDERS

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

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

S. F. Nos. 1240, 1625, 1619, 507, 1726 and 1728, which the committee recommends to pass.

S. F. No. 1584, which the committee recommends to pass with the following amendment offered by Mr. Willet:

Page 4, line 19, delete "department" and insert "commissioner"

Page 4, line 20, delete "department" and insert "commissioner"

Page 4, line 24, delete "department" and insert "commissioner"

Page 5, line 4, delete "department" and insert "commissioner"

The motion prevailed. So the amendment was adopted.

S. F. No. 1772, which the committee recommends to pass with the following amendment offered by Mr. Menning:

Page 3, line 5, delete the semicolon and insert a comma

Page 3, line 5, after "except" insert "that"

The motion prevailed. So the amendment was adopted.

S. F. No. 1764, which the committee recommends to pass with the following amendment offered by Mr. Ueland, A.:

Page 6, after line 10, insert:

"Sec. 6. Minnesota Statutes 1978, Section 274.01, Subdivision 1, is amended to read:

274.01 [BOARD OF REVIEW.] Subdivision 1. (a) The town board of each town, the council or other governing body of each city, except in cities whose charters provide for a board of equalization, shall be a board of review. The county assessor shall fix a day and time when each of such boards and the board of equalization of any city whose charter provides for a board of equalization shall meet in the several assessment districts of the county, and shall on or before April 1st of each year give written notice thereof to the clerk. Such meetings notwithstanding the provisions of any charter to the contrary shall be held between April 1st and June 30th in each year, and the clerk shall give published and posted notice of such meeting at least ten days prior to the date fixed. Such board shall meet at the office of the clerk to review the assessment and classification of property in such town or district, and immediately proceed to examine and see that all taxable property in the town or district has been properly placed upon the list, and duly valued by the assessor. In case any property, real or personal shall have been omitted, the board shall place it upon the list with its market value, and correct the assessment so that each tract or lot of real property, and each article, parcel, or class of personal property, shall be entered on the assessment list at its market value; but no assessment of the property of any person shall be raised until he has been duly notified of the intent of the board so to do. On application of any person feeling aggrieved, the board shall review the assessment or classification or both, and correct it as shall appear just, *provided that upon review pursuant to application of a person feeling aggrieved, the board shall not increase the valuation of real property for the current assessment year over the amount of the valuation reviewed.* A majority of the members may act at such meeting, and adjourn from day to day until they finish the hearing of all cases presented. The assessor shall attend, with his assessment books and papers, and take part in the proceedings, but shall not vote. The county assessor, or an assistant delegated by him shall attend such meetings. The board shall list separately, on a form appended to the assessment book, all omitted property added to the list by the board and all items of property increased or de-

creased, with the market value of each item of property, added or changed by the board, placed opposite such item. The county assessor shall enter all changes made by the board in the assessment book.

(b) If a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of his property, or if a person feeling aggrieved by an assessment or classification fails to apply for a review of the assessment or classification, he may not appear before the county board of equalization for a review of his assessment or classification, except when an assessment was made subsequent to the meeting of the board, as provided in section 273.01, or that he can establish that he did not receive notice of his market value at least five days before the local board of review meeting.

The board of review, and the board of equalization of any city, unless a longer period is approved by the commissioner of revenue, shall complete its work and adjourn within 20 days from the time of convening specified in the notice of the clerk and no action taken subsequent to such date shall be valid. All complaints in reference to any assessment or classification made after the meeting of such board, shall be heard and determined by the county board of equalization. Any non-resident may, at any time, before the meeting of the board of review file written objections to his assessment or classification with the county assessor and if any such objections are filed they shall be presented to the board of review at its meeting by the county assessor for its consideration."

Page 8, line 10, strike the period and insert a semicolon

Page 8, after line 10, insert:

*"(7) Notwithstanding clause (a) (1) of this subdivision, upon an appeal of a decision of the board of review, the board shall not raise the valuation of a tract or lot of real property, except as provided in clause (a) (5), over the valuation made by the board of review for the same assessment year."*

Page 22, line 17, delete "7, 8, 9, 16" and insert "8, 9, 10, 17"

Page 22, line 18, delete "18" and insert "19"

Page 22, line 19, delete "10 through 15" and insert "11 through 16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "prohibiting increases in valuation of property after appeals of market value;"

Page 1, line 13, after "1;" insert "274.01, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

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

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, March 3, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTY-THIRD DAY

St. Paul, Minnesota, Monday, March 3, 1980

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

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Bang	Engler	Kleinbaum	Ogdahl	Sieloff
Barrette	Frederick	Knaak	Olson	Sikorski
Benedict	Gearty	Lessard	Omann	Sillers
Bernhagen	Gunderson	Luther	Perpich	Spear
Brataas	Humphrey	McCutcheon	Peterson	Stokowski
Chmielewski	Jensen	Menning	Purfeerst	Strand
Coleman	Johnson	Merriam	Rued	Stumpf
Dieterich	Keefe, S.	Moe	Schmitz	Ueland, A.
Dunn	Kirchner	Nelson	Setzpfandt	Willet

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Wayne Kendrick.

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

Aabbach	Frederick	Knoll	Olhoft	Sikorski
Bang	Gearty	Knutson	Olson	Sillers
Barrette	Gunderson	Laufenburger	Omann	Solon
Benedict	Hughes	Lessard	Perpich	Spear
Bernhagen	Humphrey	Luther	Peterson	Staples
Brataas	Jensen	McCutcheon	Purfeerst	Stokowski
Chmielewski	Johnson	Menning	Renneke	Strand
Coleman	Keefe, J.	Merriam	Rued	Stumpf
Davies	Keefe, S.	Moe	Schaaf	Ueland, A.
Dieterich	Kirchner	Nelson	Schmitz	Ulland, J.
Dunn	Kleinbaum	Nichols	Setzpfandt	Wegener
Engler	Knaak	Ogdahl	Sieloff	Willet

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Anderson, Hanson, Penny, Pillsbury, Stern, Tennesen and Vega were excused from the Session of today.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Schmitz, Purfeerst, Chmielewski and Laufenburger introduced—

S. F. No. 2203: A bill for an act proposing an amendment to the Minnesota Constitution, Article XIV, Section 11; removing certain restrictions on highway bonds.

Referred to the Committee on Transportation.

Messrs. Sillers, Wegener, Peterson, Renneke and Bernhagen introduced—

S. F. No. 2204: A bill for an act relating to local government; providing for compensation for use of private automobiles; amending Minnesota Statutes, 1979 Supplement, Section 471.665, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Tennesen, Spear, Knoll and Dieterich introduced—

S. F. No. 2205: A bill for an act relating to courts; providing for appointment of clerks of court by district administrators; transferring clerks of court to the state judicial system; requiring the state court administrator to establish a judicial position, classification, and compensation system for nonjudicial personnel; requiring the state court administrator to promulgate and administer uniform standards and procedures relating to personnel matters for nonjudicial personnel; amending Minnesota Statutes 1978, Sections 485.01; 485.018, Subdivisions 6 and 7; Chapters 480, by adding a section; and 485, by adding a section; Minnesota Statutes, 1979 Supplement, Section 43.43, Subdivision 2; repealing Minnesota Statutes 1978, Sections 485.018, Subdivisions 1, 2, 2a, and 4; and 485.12.

Referred to the Committee on Judiciary.

Messrs. Tennesen and Keefe, S. introduced—

S. F. No. 2206: A bill for an act relating to education; extending the applicability of an early retirement incentive for teachers employed by school districts implementing certain desegregation plans; amending Minnesota Statutes, 1979 Supplement, Section 125.61, Subdivision 3a.

Referred to the Committee on Education.

Messrs. Tennesen and Keefe, S. introduced—

S. F. No. 2207: A bill for an act relating to Special Independent

School District No. 1, Minneapolis, and Independent School District No. 709; authorizing certain agreements between Special School District No. 1 and the exclusive representative of its teachers about teacher terminations; expanding the definition of teachers in the same authorization for Independent School District No. 709; amending Laws 1974, Chapter 237, Section 1.

Referred to the Committee on Education.

Mr. Renneke introduced—

S. F. No. 2208: A bill for an act relating to retirement; allowing accrual of service credit in excess of 40 years in a public retirement plan; repealing Minnesota Statutes, 1979 Supplement, Section 356.60.

Referred to the Committee on Governmental Operations.

Mr. Sieloff introduced—

S. F. No. 2209: A bill for an act relating to education; encouraging school boards to use school-based management; amending Minnesota Statutes 1978, Section 123.741, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Stumpf, McCutcheon, Olhoff, Sillers and Dieterich introduced—

S. F. No. 2210: A bill for an act relating to taxation; increasing the amount of value of a 3cc homestead that qualifies for reduced assessment; amending Minnesota Statutes, 1979 Supplement, Sections 273.122 and 273.13, Subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson introduced—

S. F. No. 2211: A bill for an act relating to Cook County and Independent School District No. 166; providing for certain agreements relating to the sale of excess steam from the existing wood fueled steam generating plant of the district; giving certain parties to the agreement certain powers.

Referred to the Committee on Local Government.

Messrs. Tennesen, Bang, Davies, Ashbach and Solon introduced—

S. F. No. 2212: A bill for an act relating to commerce; regulating consumer credit and related finance charges, insurance, loans and other conditions of credit; enacting the uniform consumer credit code; providing penalties; repealing Minnesota Statutes

1978, Sections 48.153; 48.154; 48.155; 48.156; 48.157; 48.185, as amended; 52.14; 168.66; 168.67; 168.68; 168.69; 168.70; 168.705; 168.706; 168.71; 168.72; 168.73; 168.74; 168.75; 168.76; 168.77; and 334.012; and Chapter 56.

Referred to the Committee on Commerce.

Messrs. Kleinbaum, Bernhagen, Wegener and Peterson introduced—

S. F. No. 2213: A bill for an act relating to state government; providing for parking surcharges for certain state employees; providing for payment of certain surplus land sale costs; amending Minnesota Statutes 1978, Section 94.16; and Minnesota Statutes, 1979 Supplement, Section 16.723.

Referred to the Committee on Governmental Operations.

Mr. Setzepfandt introduced—

S. F. No. 2214: A bill for an act relating to local government; authorizing governing bodies of local governmental units to set mileage allowances for officers and employees; repealing Minnesota Statutes, 1979 Supplement, Section 471.665, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Johnson, McCutcheon and Schaaf introduced—

S. F. No. 2215: A bill for an act relating to the city of Duluth; providing for review of assessments by the county assessor.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Brataas, Messrs. Merriam, Johnson, Frederick and Omann introduced—

S. F. No. 2216: A bill for an act relating to taxation; real property; extending class 3cc standing to qualified persons who make their homestead in mobile homes; amending Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

Messrs. McCutcheon and Johnson introduced—

S. F. No. 2217: A bill for an act relating to taxation; restricting the use of certain proceeds of the taconite production tax; amending Minnesota Statutes 1978, Sections 298.223 and 298.28, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Wegener; Ueland, A.; Olson; Strand and Menning introduced—

S. F. No. 2218: A bill for an act relating to peace officers; exempting municipalities with a population of less than or equal to 5,000 from part-time officer licensing by the board of peace officer standards and training; authorizing such municipalities to adopt part-time officer licensing ordinances; amending Minnesota Statutes 1978, Chapter 626, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 626.8461.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Kleinbaum introduced—

S. F. No. 2219: A bill for an act relating to Independent School District No. 748, Sartell; authorizing an additional levy for special assessments.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Penny, Strand and Wegener introduced—

S. F. No. 2220: A bill for an act relating to education; adding the commissioner of agriculture to the equalization aid review committee; amending Minnesota Statutes 1978, Section 124.212, Subdivision 10.

Referred to the Committee on Education.

Messrs. Bang and Tennesen introduced—

S. F. No. 2221: A bill for an act relating to public utilities; revision of rates pending approval by the public service commission; amending Minnesota Statutes 1978, Sections 216B.16, Subdivision 1, and by adding subdivisions; and 237.075, Subdivisions 1 and 2, and by adding subdivisions.

Referred to the Committee on Commerce.

Messrs. Bang and Tennesen introduced—

S. F. No. 2222: A bill for an act relating to public utilities; regulating assigned service areas of telephone companies; city authority to purchase and operate telephone plants; amending Minnesota Statutes 1978, Chapter 237, by adding a section; and Section 237.16, Subdivisions 3, 4, and 6, and by adding subdivisions; repealing Minnesota Statutes 1978, Sections 237.16, Subdivisions 1 and 2, and 237.19.

Referred to the Committee on Commerce.

Messrs. Bang, Barrette, Solon, Mrs. Knaak and Mr. Perpich introduced—

S. F. No. 2223: A bill for an act relating to the state building

code; providing for payment of portion of state building code permit fee surcharge to commissioner of health for certain administration costs; appropriating money; amending Minnesota Statutes, 1979 Supplement, Section 16.866, Subdivision 1.

Referred to the Committee on Energy and Housing.

Mr. McCutcheon introduced—

S. F. No. 2224: A bill for an act relating to taxation; individual and corporate income tax, withholding, and property tax refunds; clarifying definitions; making social security numbers mandatory on certain drivers license applications; providing for administrative changes; amending Minnesota Statutes 1978, Sections 171.06, Subdivision 3; 171.07, Subdivision 1; 268.12, Subdivision 12; 290.01, Subdivision 21; 290.06, Subdivision 3e; 290.067, Subdivision 2; 290.09, Subdivisions 10 and 29; 290.10; 290.13, Subdivision 5; 290.136, Subdivision 9; 290.16, Subdivisions 3, 7, 9 and 12; 290.31, Subdivisions 2 and 27; 290.39, Subdivision 1; 290.41, Subdivision 2, and by adding a subdivision; 290.49, Subdivision 1; 290.92, Subdivisions 1, 2a, 5 and 6; 290.934, Subdivisions 4 and 5; 290A.08; 290A.17; Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; 290.06, Subdivisions 3c, 3f, 3g and 14; 290.09, Subdivision 15; 290.095, Subdivision 1; 290.17, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Merriam and Olhoft introduced—

S. F. No. 2225: A bill for an act relating to taxation; providing for the assessment of electric transmission and distribution lines; defining "parcel" for purposes of the transmission line property tax credit; amending Minnesota Statutes 1978, Sections 273.36; 273.38; Minnesota Statutes, 1979 Supplement, Section 273.42, Subdivision 2; and Laws 1979, Chapter 303, Article II, Section 39; repealing Minnesota Statutes 1978, Section 273.37; and Minnesota Statutes, 1979 Supplement, Section 273.42, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Luther; Keefe, S.; Gearty and Mrs. Stokowski introduced—

S. F. No. 2226: A bill for an act relating to Hennepin County; providing for redistricting of county commissioner districts.

Referred to the Committee on Local Government.

Messrs. Hanson; Keefe, J.; Keefe, S. and Sieloff introduced—

S. F. No. 2227: A bill for an act relating to public indebtedness;

fixing the maximum interest rates on public obligations; amending Minnesota Statutes 1978, Section 475.55.

Referred to the Committee on Commerce.

Messrs. Nichols, Wegener, Dunn and Ogdahl introduced—

S. F. No. 2228: A bill for an act relating to transportation; providing for the financing of certain transportation services; providing for the distribution of the motor vehicle excise tax and providing that certain portions of the proceeds be used by certain political subdivisions for optional transportation purposes; creating a contingent bond retirement account; increasing the excise tax on gasoline and special fuel used in producing power to propel motor vehicles on public highways; creating a study commission on transportation financing; appropriating money; amending Minnesota Statutes 1978, Sections 168.27, Subdivision 16; 296.02, Subdivision 1; 297B.035, Subdivision 2; and 297B.09.

Referred to the Committee on Transportation.

Mr. Ogdahl introduced—

S. F. No. 2229: A bill for an act relating to the public employees retirement association; providing for an exemption from membership therein for certain public employees; amending Minnesota Statutes 1978, Chapter 353, by adding a section.

Referred to the Committee on Governmental Operations.

Mr. Hughes introduced—

S. F. No. 2230: A bill for an act relating to public employees; regulating appropriate bargaining units.

Referred to the Committee on Education. Mr. Schaaf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Sikorski introduced—

S. F. No. 2231: A bill for an act relating to retirement; corrections officers; coverage and mandatory retirement; amending Minnesota Statutes 1978, Sections 352.90; 352.91, Subdivisions 1 and 2, and by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 43.051, Subdivision 3.

Referred to the Committee on Governmental Operations.

Messrs. Nichols and McCutcheon introduced—

S. F. No. 2232: A bill for an act relating to taxation; real property; limiting certain preferential assessment ratios to structures owned by a nonprofit entity; amending Minnesota Statutes 1978,

Section 273.13, Subdivision 17a; and Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 17c.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S. F. No. 2233: A bill for an act relating to insurance; providing participation eligibility for state insurance coverages for certain employees; amending Minnesota Statutes, 1979 Supplement, Section 43.491, Subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Perpich introduced—

S. F. No. 2234: A bill for an act relating to insurance; authorizing business trusts to exchange reciprocal or interinsurance contracts; amending Minnesota Statutes 1978, Section 71A.01, Subdivision 1.

Referred to the Committee on Commerce.

Mr. Perpich introduced—

S. F. No. 2235: A bill for an act relating to retirement; the city of Hibbing; authorizing the establishment or maintenance of separate relief associations for salaried and volunteer firefighters.

Referred to the Committee on Governmental Operations.

Mr. Setzepfandt introduced—

S. F. No. 2236: A bill for an act relating to retirement; making members of the Redwood soil and water conservation district members of the public employees retirement association; allowing purchase of prior service credit.

Referred to the Committee on Governmental Operations.

Messrs. Olhoft and Spear introduced—

S. F. No. 2237: A bill for an act relating to employment; regulating employee inventions related to energy; amending Minnesota Statutes 1978, Section 181.78, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Olhoft introduced—

S. F. No. 2238: A bill for an act relating to taxation; sales and use tax; exempting admissions to square dance club dances; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon, Gearty, Spear, Perpich and Mrs. Brataas introduced—

S. F. No. 2239: A bill for an act relating to welfare; changing certain eligibility requirements for aid to families with dependent children; amending Minnesota Statutes 1978, Section 256.73, Subdivision 2.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Moe introduced—

S. F. No. 2240: A bill for an act relating to taxation; levy limits; providing for a special levy for the decrease in revenue attributable to the change from inheritance tax to estate tax; amending Minnesota Statutes, 1979 Supplement, Section 275.50, Subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bang introduced—

S. F. No. 2241: A bill for an act relating to education; establishing a procedure for transferring certain territory from one school district to another; permitting a district from which territory was transferred to enroll certain students from the transferred territory under certain conditions.

Referred to the Committee on Education.

Mr. Dunn introduced—

S. F. No. 2242: A bill for an act relating to libraries; authorizing a school board to transfer the responsibility for maintaining a library to a city under certain conditions; amending Minnesota Statutes 1978, Section 134.03.

Referred to the Committee on Education.

Mr. Hanson introduced—

S. F. No. 2243: A bill for an act relating to taxation; clarifying the limitations on city tax levies; amending Minnesota Statutes 1978, Section 275.11, Subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Luther introduced—

S. F. No. 2244: A bill for an act relating to Independent School Districts Nos. 279 (Osseo) and 286 (Brooklyn Center); providing for transfers of territory between the districts.

Referred to the Committee on Education.

Mr. Bang introduced—

S. F. No. 2245: A bill for an act relating to the city of Edina; authorizing a temporary short term on-sale liquor license for a certain civic or charitable festival.

Referred to the Committee on Commerce.

Messrs. Merriam and Dunn introduced—

S. F. No. 2246: A bill for an act relating to the environmental quality board; authorizing intervention in the proceedings of other states and provinces relating to certain energy facilities; clarifying considerations to be made in adopting site and route criteria and standards; authorizing the environmental quality board to consider upgrading of existing facilities; specifying amounts of application fees; creating limitations on judicial review of certain decisions; providing notice for entry onto land; authorizing temporary emergency suspension of construction; providing for enforcement certificates and permits; requiring the promulgation of emergency rules; amending Minnesota Statutes 1978, Sections 116C.52, by adding subdivisions; 116C.53, by adding a subdivision; 116C.55, Subdivision 2; 116C.57, Subdivisions 1, 2, 4, and by adding a subdivision; 116C.63, by adding subdivisions; 116C.645; 116C.65; 116C.68; and 116C.69, Subdivisions 2, 2a, and 3.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Olson introduced—

S. F. No. 2247: A bill for an act relating to crimes; changing the definition of "complainant" for purposes of certain provisions relating to sex crimes; amending Minnesota Statutes, 1979 Supplement, Section 609.341, Subdivision 13.

Referred to the Committee on Judiciary.

Messrs. Olson, Setzepfandt, Hanson, Moe and Nichols introduced—

S. F. No. 2248: A bill for an act relating to taxation; sales and use tax; exempting used farm machinery; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Setzepfandt, Nelson, Hanson and Peterson introduced—

S. F. No. 2249: A bill for an act relating to taxation; providing for interest on certain generally tax exempt obligations; amending Minnesota Statutes 1978, Section 475.55, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Keefe, J. introduced—

S. F. No. 2250: A bill for an act appropriating money to Independent School District No. 274, Hopkins, to reimburse the district for certain consolidation costs.

Referred to the Committee on Education.

Messrs. Nelson, Sikorski, McCutcheon and Sieloff introduced—

S. F. No. 2251: A bill for an act relating to crimes; providing that the status of marriage or an ongoing voluntary sexual relationship of cohabiting adults shall not be a defense to prosecution for criminal sexual conduct; amending Minnesota Statutes 1978, Section 609.349.

Referred to the Committee on Judiciary.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 1848.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 28, 1980

Mr. President:

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

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 268.37; 290.01, Subdivision 20; and 290.06, Subdivision 14.

Five members of the House have been appointed to such committee on the part of the House as follows:

Nelson, Pehler, Osthoff, Ainley and Anderson, R.

Senate File No. 1670 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 28, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1871, 1985, 1778 and 1789.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 28, 1980

#### FIRST READING OF HOUSE BILLS

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

H. F. 1871: A bill for an act relating to the Minnesota-Wisconsin boundary area commission; providing that the terms of commissioners shall be staggered; amending Minnesota Statutes 1978, Section 1.33.

Referred to the Committee on Governmental Operations.

H. F. No. 1985: A bill for an act relating to municipal electric power; permitting municipal power agencies to contract and do business with foreign entities; amending Minnesota Statutes 1978, Section 453.52, Subdivision 9.

Referred to the Committee on Commerce.

H. F. No. 1778: A bill for an act relating to Independent School District No. 466; permitting the sale of certain land.

Referred to the Committee on Education.

H. F. No. 1789: A bill for an act relating to occupations and professions; providing for licensing of public accountants; amending Minnesota Statutes, 1979 Supplement, Section 326.191.

Referred to the Committee on Commerce.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S. F. No. 1907, and reports pertaining to appointments. The motion prevailed.

Mr. Chmielewski from the Committee on Veterans' Affairs, to which was referred

S. F. No. 1978: A bill for an act relating to veterans; authorizing a memorial to Minnesota's war dead in Arlington National Cemetery; appropriating money.

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

Mr. Chmielewski from the Committee on Veterans' Affairs, to which was referred

S. F. No. 1907: A bill for an act relating to state government; revising the civil service law; amending Minnesota Statutes 1978, Section 43.30.

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

Page 1, line 13, strike "every" and insert "a"

Page 1, line 14, strike "prior to" and insert "before"

Page 1, line 15, strike "any" and insert "a"

Page 1, line 20, strike "any" and insert "a"

Page 1, line 21, strike "on account" and insert "because"

Page 1, line 21, strike "his"

Page 1, line 22, strike "by reason of any"

Page 1, line 22, strike "provided such" and insert "if that veteran's"

Page 2, line 1, strike "him" and insert "the veteran"

Page 2, lines 8 to 10 reinstate the stricken language

Page 2, lines 10 to 12, delete the new language

Page 2, line 15, strike "such" and insert "the"

Page 2, line 22, strike "such" and insert "the"

Page 3, line 8, strike "any" and insert "a"

Page 3, line 13, strike "such" and insert "the"

Page 3, line 18, strike "hereby"

Page 3, line 19, strike the first "the" and insert "a"

Page 3, line 19, strike "spouses" and insert "spouse"

Page 3, line 19, after "of" insert "a"

Page 3, line 19, strike "veterans" and insert "veteran"

Page 3, line 25, delete "prior to any" and insert "before an"

Page 4, line 7, strike "his"

Page 4, line 10, delete "ten" and insert "30"

Page 4, line 15, strike "forthwith"

Page 4, line 16, strike "such" and insert "the"

Page 4, line 17, strike "thereof" and insert "of the reasons for the rejection"

Page 4, delete lines 21 and 22 and insert:

*"Sec. 2. The provisions of section 1 shall apply only to a veteran placed on an eligible register established after the effective date of this act."*

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

Mr. Chmielewski from the Committee on Veterans' Affairs, to which was referred

S. F. No. 1977: A bill for an act relating to public holidays; regulating the observance of Memorial Day; amending Minnesota Statutes 1978, Section 465.50; and Minnesota Statutes, 1979 Supplement, Section 645.44, Subdivision 5.

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

Page 1, line 12, strike "each and every" and insert "a"

Page 1, line 12, strike "all"

Page 1, line 13, strike "now possessed by it"

Page 1, line 13, strike "hereby"

Page 1, line 15, strike "in such manner"

Page 1, line 15, strike "it may deem best" and insert "*the council deems proper*"

Page 1, line 16, strike "any"

Page 1, line 16, strike "available therefor"

Page 1, line 17, strike "for each" and insert "*per*"

Page 1, line 18, strike "such" and insert "*that*"

Page 1, line 19, strike "appropriate"

Page 1, line 20, strike "and in the annual commemoration"

Page 1, line 21, strike everything before the period

Page 2, line 8, after the second semicolon insert "*or Memorial Day, May 30,*"

Page 2, line 12, after the first semicolon insert "*or Memorial Day, May 30,*"

Page 2, line 15, strike "any" and insert "a"

Page 2, line 18, strike "thereon" and insert "*that day*"

Page 2, line 26, strike "thereon" and insert "*that day*"

Page 2, line 27, strike "Any" and insert "An"

Page 2, delete lines 31 to 33

Page 3, delete line 1

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1708: A bill for an act relating to workers' compensation; changing special compensation fund assessment procedures; providing for reimbursement to certain insurers; amending Minnesota Statutes, 1979 Supplement, Sections 176.131, Subdivision 10; and 176.191, Subdivision 3.

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

Page 3, lines 18 to 24, delete the new language and insert:

*"In determining the percentage of the total compensation required to be paid by the employer to the commissioner of labor and industry for the benefit of the special compensation fund as provided in clause (2) beginning September 30, 1980 and each September 30 thereafter, the commissioner of labor and industry shall use the following schedule:*

<i>Balance in the Fund</i>	<i>Permissible Range of Rate Adjustment</i>
<i>Less than \$2,000,000</i>	<i>+1 percent to +7 percent</i>
<i>At least \$2,000,000 but less than \$3,000,000</i>	<i>0 percent to +6 percent</i>
<i>At least \$3,000,000 but less than \$4,000,000</i>	<i>-2 percent to +4 percent</i>
<i>At least \$4,000,000 but less than \$5,000,000</i>	<i>-5 percent to +3 percent</i>
<i>At least \$5,000,000 but less than \$6,000,000</i>	<i>-6 percent to +2 percent</i>
<i>\$6,000,000 or more</i>	<i>-7 percent to +2 percent</i>

*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."*

Page 4, line 28, delete "and" and insert ". The insurer"

Page 4, line 29, after "shall" insert "also"

Page 4, line 30, before the period, insert "up to the amount that would be payable under this chapter if the injury were determined to be compensable"

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1892: A bill for an act relating to workers' compensation; allowing flexibility in election of insurance coverage for cer-

tain businesses, partnerships and corporations; amending Minnesota Statutes, 1979 Supplement, Section 176.012.

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1796: A bill for an act relating to economic development; regulating development loans to Indians; amending Minnesota Statutes 1978, Section 362.40, Subdivisions 2 and 8; Minnesota Statutes, 1979 Supplement, Section 362.40, Subdivision 9; repealing Minnesota Statutes 1978, Section 362.40, Subdivision 3.

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1716: A bill for an act relating to workers' compensation; providing an annual date for adjusting supplementary benefit levels; amending Minnesota Statutes, 1979 Supplement, Section 176.132, Subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 176.132, is amended by adding a subdivision to read:

*Subd. 2a. [TIME OF ADJUSTMENT.] Supplementary benefits payable under this section shall be adjusted each October 1, beginning in 1980, based upon the statewide average weekly wage for the preceding calendar year."*

Amend the title as follows:

Page 1, line 4, delete ", 1979" and insert "1978"

Page 1, line 5, delete "Supplement"

Page 1, line 5, delete "Subdivision 2" and insert "by adding a subdivision"

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1613: A bill for an act relating to Independent School District No. 119, Walker; authorizing it to transfer money from its general fund to its capital expenditure fund for the purpose of constructing a facility for special education.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1811: A bill for an act relating to transportation; excluding minor pipeline relocations caused by highway construction from certain easement or right-of-way agreement provisions; amending Minnesota Statutes, 1979 Supplement, Section 116L.01, Subdivision 2.

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

Page 1, line 16, strike the second "or"

Page 1, line 19, delete "one-half" and insert "three-quarters of a"

Page 1, line 19, delete "caused by highway"

Page 1, line 20, delete "construction"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1751: A bill for an act relating to highway traffic regulations; providing that the operation of certain motorcycles does not require a two-wheeled vehicle endorsement on the operator's driver's license; amending Minnesota Statutes 1978, Section 169.974, Subdivision 2; and by adding a subdivision.

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

Page 1, line 14, strike "any" and insert "a"

Page 1, line 14, strike "he" and insert "the person"

Page 1, line 18, strike "therefor" and insert "for the endorsement"

Page 1, line 19, strike "herein" and insert "by this section"

Page 2, line 5, strike "any" and insert "a"

Page 2, line 15, strike "any"

Page 2, line 18, strike "any" and insert "a"

Page 2, line 27, strike "he shall deem" and insert "the commissioner deems"

Page 2, line 27, strike "any" and insert "a"

Page 2, line 28, strike "therefor" and insert "for a special motorcycle permit"

Page 3, line 5, delete "35" and insert "30"

Page 3, line 8, after "license" insert "or valid permit"

Page 3, line 8, after the period, insert "A motorcycle described in this subdivision shall be issued a "moped" license plate pursuant to presentation of the manufacturer's statement of origin which states specifically: "This vehicle designed and manufactured to attain a maximum speed not in excess of 30 miles per hour."

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1541: A bill for an act relating to transportation; abolishing the functions, powers and duties of the department of transportation relating to the inspection, grading, sampling and analysis of hay and straw, and establishing a board of hay and straw standards in the department of agriculture; clarifying laws relating to the regulation of railroads and removing obsolete and duplicative language; prescribing certain powers of the commissioner of transportation and the public service commission relating to rates and charges; requiring track scales, and regulating the weighing of railroad cars and freight; providing for railroad grade crossing safety devices and other safety devices; prescribing penalties; amending Minnesota Statutes 1978, Sections 218.011, Subdivision 2; 218.021; 218.031, Subdivision 1; 218.041; 219.01; 219.07; 219.08; 219.10; 219.14, Subdivision 2; 219.17; 219.19; 219.23; 219.28; 219.383, Subdivision 4; 219.39; 219.40; 219.47; 219.50; 219.52; 219.54; 219.64; 219.70; 219.741; 219.85; 219.92; 219.97, Subdivision 7; 222.48, Subdivisions 2 and 3; 222.49; 222.50, Subdivisions 2, 3, 4 and 5; 222.51; 222.52; 222.53; 222.54; Chapters 25, by adding sections; 219, by adding a section; and 239, by adding a section; repealing Minnesota Statutes 1978, Sections 219.02; 219.03; 219.04; 219.05; 219.11; 219.12; 219.22; 219.25; 219.43; 219.58; 219.59; 219.60; 219.61; 219.62; 219.63; 219.65; 219.66; 219.67; 219.84; 219.86; 219.87; 219.89; 219.90; 219.91; 219.94; 219.95; 219.96; 219.97, Subdivisions 1, 2, 3, 8, 9, 11, 14, 15 and 16; 222.38; 222.39; 222.40; 222.41; 222.42; 222.43; 222.44; 222.45; 229.01; 229.02; 229.03; 229.04; 229.05; 229.06; 229.07; 229.08; 229.10; 229.11; 229.12; 229.13; 229.14; 229.15; 229.16; 229.17; 229.18; 229.19; 229.20; and 452.14.

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

Page 2, line 8, delete "All of"

Page 2, line 14, delete "BOARD OF"

Page 2, line 15, delete everything after the period

Page 2, delete lines 16 through 18

Page 2, line 19, delete "*the commissioner.*"

Page 2, line 19, delete "*board*" and insert "*commissioner of agriculture*"

Page 2, line 20, delete "*all*"

Page 2, line 20, delete "*hereafter*"

Page 2, line 24, delete "*board*" and insert "*commissioner of agriculture*"

Page 2, line 24, delete "*meet annually*" and insert a comma

Page 2, line 25, delete "*and shall*" and insert "*of each year,*" and delete "*all*"

Page 2, line 27, delete "*all*"

Page 2, line 27, delete "*any*" and insert "*a*"

Page 2, line 29, delete everything after "*before*" and insert "*June 15 of the next succeeding year*"

Page 2, line 30, delete everything before the period

Page 2, line 31, delete "*board*" and insert "*commissioner of agriculture*"

Page 3, line 3, strike "*all*"

Page 3, line 5, strike "*all*"

Page 3, line 6, strike "*such*" and insert "*rail*"

Page 3, line 6, strike "*aforesaid*"

Page 3, lines 15 and 16, reinstate the stricken language

Page 3, line 17, reinstate "*to*"

Page 3, line 18, after the stricken "*trains,*" insert "*service*"

Page 3, line 18, reinstate "*without approval of the*"

Page 3, line 19, reinstate "*commission.*"

Page 3, line 20, reinstate the stricken "(3)" and delete "(2)"

Page 3, line 25, reinstate the stricken "(4)" and delete "(3)"

Page 4, line 3, reinstate the stricken "(5)" and delete "(4)"

Page 4, line 8, reinstate the stricken "(6)" and delete "(5)"

Page 4, line 23, reinstate the stricken "(7)" and delete "(6)"

Page 5, line 32, reinstate the stricken "(8)" and delete "(7)"

Page 7, line 22, reinstate "*interchange of*"

Page 9, line 30, strike "*commission*" and insert "*commissioner*"

Page 9, line 32, strike "*commission*" and insert "*commissioner*"

Page 11, line 28, strike "*it*" and insert "*he*"

Page 13, line 11, after the stricken period, insert: "(4)"

Page 13, line 11, reinstate "The commission may"

Page 13, lines 12 to 18, reinstate the stricken language

Renumber the clauses in sequence

Page 16, line 24, reinstate the stricken language and delete the new language

Page 18, line 4, delete "(3)"

Page 18, lines 4 to 6, strike the old language

Page 18, line 7, strike the semicolon

Renumber the clauses in sequence

Pages 20 to 22, delete section 8 and insert:

"Sec. 8. Minnesota Statutes 1978, Chapter 219, is amended by adding a section to read:

[219.071] [MAINTENANCE OF GRADE CROSSING SURFACES.] *Subdivision 1. It is the primary responsibility of the owner or lessee of railroad track in Minnesota to maintain grade crossing surfaces over public highways in a safe and passable condition for vehicular traffic in a manner consistent with appropriate federal track safety standards. The surfaces shall extend the full width of the public highway within the railroad track structure.*

*Subd. 2. If a grade crossing surface, as defined in section 219.16, is in need of repair or maintenance, the cost for the repair or maintenance may be paid jointly by the owner or lessee of the track, the road authority having jurisdiction over the public highway involved and funds that may be available to the department for grade crossing surfaces from the following sources:*

*(1) Monies appropriated to the department in the future for the purposes of this section.*

*(2) Available federal funds allocated to this state for the grade crossing program established by this section.*

*(3) Monies acquired by the department from any gift, grant or contributions from any source for purposes of this section.*

*Subd. 3. If the owner or lessee of the railroad track and the road authority having jurisdiction over the public highway involved agree upon the allocation of the cost of repair or maintenance of the grade crossing surface, a copy of the agreement shall be filed with the commissioner. If the parties to the negotiations contemplate the use in whole or in part of the funds described in subdivision 2, either party shall notify the commissioner before the conclusion of negotiations and the department may participate in the negotiations and may be a party to the agreement and participate in the costs incurred subsequent to agreement.*

*Subd. 4. If the owner or lessee of the railroad track and the road authority having jurisdiction over the public highway at the grade*

*crossing cannot reach an agreement under subdivision 3 regarding repair or maintenance of a grade crossing surface, either party may invoke the jurisdiction of the department by filing with the commissioner a statement setting forth the status of negotiations and requesting the commissioner to make a final determination of the dispute. The commissioner, after written notice to the parties involved in the negotiations and after providing an opportunity for the parties to participate in a conference, may order the repair or maintenance of the grade crossing surface within a reasonable time as is needed to comply with standards set forth in subdivision 1 above. The order of the commissioner, in addition to enforcing the responsibility of the owner or lessee of the railroad track in question, may provide for participation in the costs of the project by the road authority or the funds available to the department in subdivision 2 above or other formulas as may be practical and reasonable under the circumstances. A party failing to comply with an order of the commissioner shall be subject to a penalty of \$50 for each day of noncompliance and each day shall constitute a separate offense, to be recovered for the state in a civil action instituted by the department.*

*Subd. 5. A party subject to an order issued pursuant to subdivision 4 may appeal the order of the commissioner to the district court of the county in which the grade crossing is located; and, in case of appeal, the same proceedings shall be conducted as are now provided by law for an appeal from orders of the commissioner. All orders of the commissioner shall be enforced by the attorney general."*

Page 22, line 7, delete "[219.071]" and insert "[219.072]"

Page 23, line 17, delete "Subdivision 2,"

Page 23, after line 17, insert:

*"219.14 [RAILROAD CROSSINGS PROTECTED.] Subdivision 1. [INVESTIGATION.] The commissioner on his own motion may investigate and determine whether any railroad crossing over any street or public highway now or hereafter established and traveled or to be traveled in this state is or will be when opened to public travel dangerous to life and property, or either, and may order the same protected in any manner ~~it~~ he may find reasonable and proper, including requiring the company to separate the grades."*

Page 25, line 24, reinstate "standing"

Page 25, line 24, strike the first "or" and after "engine" insert a comma

Page 25, line 24, after "equipment" insert ", or a switching movement which continuously blocks a crossing"

Page 28, after line 10, insert:

"Sec. 20. Minnesota Statutes 1978, Section 219.403, is amended to read:

**219.403 [NOT TO AFFECT EXISTING LAWS RELATING TO MUNICIPALITIES.]** Nothing in sections 161.20, 219.40, 219.403 or section 8 of this act shall be construed to change any existing law relating to the rights and liabilities of any city, town, or county in connection with the construction or maintenance of any railroad crossing, grade separation, or signal system, or to impair the terms or conditions of any existing arrangement or agreement, or renewals thereof, between any railroad company and any municipality with reference to the maintenance of any railroad crossing, grade separation, or signal system."

Page 31, lines 23 and 24, reinstate the stricken language

Page 31, lines 24 to 27, delete the new language

Page 32, line 3, delete "determine" and insert "provide"

Page 32, line 3, delete "necessity" and insert "opportunity"

Page 32, line 3, after "hearing" insert "after public notice" and after "and" insert a comma

Page 32, line 4, delete "required" and insert "he so determines,"

Pages 33 to 38, delete sections 30 to 40

Page 38, line 26, delete "division"

Page 38, delete lines 27 to 33

Page 39, delete lines 1 and 2 and insert "*department shall supervise and inspect all track scales, and may direct any carrier to transport, move, and switch to any track scale free of charge any car used in the inspection and testing of scales. The department shall require the installation and maintenance of track scales at terminals, warehouses, and at other points in the state where scales are deemed necessary. The department shall prescribe reasonable regulations for the weighing of railroad cars and of freight. Rules of the department promulgated under chapter 218 and in effect on January 1, 1976, which pertain to installation or inspection of track scales or the weighing of railroad cars and freight shall continue in effect until amended or repealed by the department.*"

Page 39, line 4, after "219.05;" insert "219.07;"

Page 39, line 5, delete "219.22;"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete the last comma and insert a semicolon

Page 1, delete lines 6 and 7

Page 1, line 19, delete "219.07;"

Page 1, line 20, delete ", Subdivision 2"

Page 1, line 22, after the first semicolon insert "219.403;"

Page 1, line 24, delete everything after "7;"

Page 1, delete line 25

Page 1, line 26, delete everything before "Chapters"

Page 1, line 27, delete "a section" and insert "sections"

Page 1, line 30, after "219.05;" insert "219.07;"

Page 1, line 30, delete "219.22;"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2095: A bill for an act relating to Hennepin County; providing for a county personnel system; providing various conditions of public employment; amending Laws 1965, Chapter 855, Sections 1, 2, 3, 4, as amended, 5, 6, as amended, 7, as amended, 8, 9, 10, 11, 12, 13, 14, 15, as amended, and 16; and Laws 1979, Chapter 198, Article I, Section 2; repealing Laws 1945, Chapter 607, as amended; Laws 1965, Chapter 855, Section 17; Laws 1967, Chapter 646, Sections 4, 5, 6, and 7, and Chapter 779; and Laws 1979, Chapter 198, Article III, Section 5.

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

Page 3, line 15, strike "a" and insert "an"

Page 5, delete subdivision 21

Page 6, line 27, delete "a"

Page 7, line 18, delete "\$50" and insert "\$35"

Page 8, line 24, strike "public"

Page 8, line 25, strike "records"

Page 10, line 26, delete "seven" and insert "two"

Page 10, line 29, delete "14" and insert "nine"

Page 10, line 29, delete "one" and insert "two"

Page 10, line 29, delete "name" and insert "names"

Page 11, line 3, delete "majority" and insert "four-fifths"

Page 14, line 18, after the period, reinstate the stricken language

Page 14, lines 19 to 21, reinstate the stricken language

Page 15, line 26, delete "handicap is" and insert "handicaps are"

Page 19, line 24, after "director" insert "and approved by the board and county board"

Page 20, line 20, after "of" delete "his" and insert "the employee's"

Page 20, line 20, after "exceeds" strike "his" and insert "*the employee's*"

Page 23, line 8, strike "he" and insert "*the incumbent*"

Page 23, line 21, delete "he" and insert "*the employee*"

Page 29, line 8, after "*discharged*" insert "*, demoted or suspended pursuant to rules promulgated hereunder,*"

Page 29, line 15, delete "or" and insert a comma and after "*demoted*" insert "*, or suspended pursuant to rules promulgated under section 4, subdivision 2, clause (a) (10)*"

Page 29, line 19, delete "or" and insert a comma and after "*demotion*" insert "*, or suspension*"

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2014: A bill for an act relating to housing; appropriating money to the Minnesota housing finance agency for the purpose of subsidizing certain loan origination fees; requiring a report.

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

Delete everything after the enacting clause and insert:

"Section 1. The sum of \$150,000 is appropriated from the general fund to the housing development fund created by Minnesota Statutes, Section 462A.20 for the purpose of subsidizing the loan origination fee on a rehabilitation loan of \$2,000 or less if the loan is made in accordance with Minnesota Statutes, Section 462A.05, Subdivision 14, to enable the recipient to accomplish energy conservation related improvements. The appropriation in this section may be used only to subsidize that part of a loan origination fee which is equal to the difference between the origination fee for the loan and two percent of the face value of the loan.

Sec. 2. Before January 15, 1982, the Minnesota Housing Finance Agency shall report to the legislature on the effectiveness of the loan origination fee subsidization program financed pursuant to section 1."

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1903: A bill for an act relating to energy; modifying certain planning and zoning statutes to remove barriers to biomass energy production; amending Minnesota Statutes, 1979 Supplement, Sections 394.25, Subdivision 3; and 394.27, Subdivision 7; 162.357, Subdivisions 1 and 6.

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1890: A bill for an act relating to energy conservation; creating the Minnesota district heating account; authorizing the Minnesota energy agency to administer and supervise a program of loans to municipalities for establishing and improving district heating systems; authorizing the issuance of state bonds pursuant to Article XI of the Minnesota Constitution; authorizing cities to operate district heating systems; appropriating money; amending Minnesota Statutes 1978, Sections 412.321, Subdivision 1; 412.351; 412.361, Subdivision 3; Chapter 116H, by adding sections; and Chapter 465, by adding a section.

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

Page 3, line 7, after "water" insert "or steam"

Page 3, line 10, after "water" insert "or steam"

Page 6, after line 15, insert:

*"(b) The extent to which the facility uses renewable or non-petroleum sources of energy;"*

Reletter the clauses in sequence

Page 7, line 16, after the comma, delete the remainder of the line and insert "*which obligations are payable solely*"

Page 7, line 17, delete "*money for the repayment*"

Page 7, line 17, delete "*taxes,*"

Page 7, line 19, after "to" delete the remainder of the line and insert "*impose and collect user charges or special assessments or to use any other money available to it from any other specified source, in amounts and at times so that if collected in full will produce at least five percent in excess of the amount needed to make timely payment under the loan agreement.*"

Page 7, delete lines 20 to 24

Page 7, line 25, delete "*section 275.50, subdivision 5, clause (e).*" and insert "*Nothing contained herein shall be construed to prohibit a municipality from, in addition to pledging any other sources of revenue, pledging to levy an ad valorem tax to guarantee the payments under the loan agreement.*"

Page 12, line 26, delete "*hot water*"

Page 12, line 33, after "*hot water,*" insert "*steam,*"

Page 13, line 19, delete "*hot water*"

Page 14, line 27, delete "*hot water*"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2086: A bill for an act relating to public welfare; establishing a grant program for brain injured young persons for participation in a program of neurological stimulation; appropriating money.

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

Page 1, lines 10 and 11, delete "a specified number of" and insert "Minnesota"

Page 1, lines 11, 15, 20, and 21, delete "young"

Page 1, line 19, delete "grants of \$12,000 per year for each of ten" and insert "a grant to the parent, parents, or legal guardian of each"

Page 1, line 20, delete "persons" and insert "person eligible"

Page 1, line 21, before the period insert "to pay expenses incurred in participating in the neurological stimulation program"

Page 1, line 21, after the period insert "Each grant made under this section shall cover the costs of enrolling in an organization's program and may cover other expenses incurred due to participation in the program."

Page 2, line 3, delete everything after the period

Page 2, delete lines 4 and 5

Page 2, lines 10, 19, 20, 26, and 29, delete "young"

Page 2, line 10, delete everything after "persons"

Page 2, line 12, after "between" insert "parents or legal guardians of"

Page 2, line 14, delete "and" and insert a comma

Page 2, line 17, before the semicolon insert ", and persons involved in residential programs of neurological stimulation"

Page 3, line 3, delete "qualified"

Page 3, line 4, delete everything before "who" and insert "neurosurgeon"

Page 3, line 19, after "that" insert "at least"

Page 3, line 19, delete "persons" and insert "families"

Page 3, line 24, delete "For fiscal year 1981,"

Page 3, line 25, delete "\$ . . . . ." and insert "\$120,000"

Page 3, line 27, before the period insert "to be available until June 30, 1981"

Page 3, line 27, after the period insert "The commissioner of public welfare may use up to \$4,000 of this appropriation for administrative expenses."

Amend the title as follows:

Page 1, line 3, delete "young"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1732: A bill for an act relating to public welfare; allowing county boards to delegate certain powers to county welfare boards; allowing human services boards to appoint a director on a permissive basis; amending Minnesota Statutes, 1979 Supplement, Sections 256E.08, by adding a subdivision; and 402.05, Subdivision 1a.

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

Page 1, line 16, after "256E.12" insert " , *except the tax levy and certification requirements of section 256E.06, subdivisions 4 and 5,*"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1781: A bill for an act relating to health; assisting rural health cooperatives; appropriating money.

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

Page 1, line 7, after "the" insert "commissioner of health for transfer to the"

Page 1, line 10, delete "coops" and insert "cooperatives"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1941: A bill for an act relating to corrections; appropriating money for local correctional facility construction.

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

Page 1, line 6, delete "\$1,875,000" and insert "\$3,750,000"

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

Mr. Wegener from the Committee on Local Government, to which was referred the following appointment as reported in the Journal for February 11, 1980:

#### **MINNESOTA MUNICIPAL BOARD**

**Robert J. Ferderer**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Anderson from the Committee on Energy and Housing, to which was referred the following appointment as reported in the Journal for January 28, 1980:

#### **MINNESOTA HOUSING FINANCE AGENCY**

**Shirley Van Dyck**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Anderson from the Committee on Energy and Housing, to which was referred the following appointment as reported in the Journal for April 5, 1979:

#### **MINNESOTA HOUSING FINANCE AGENCY**

**Robert A. Worthington**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1433, 1875, 1863, 597, 1921, 1996, 1311, 1740 and 789 and H. F. Nos. 711 and 1169 makes the following report:

That the above Senate Files and House Files, with the exception of S. F. No. 1921, be placed on the General Orders Calendar in the order indicated.

That S. F. No. 1921 is being retained in the Subcommittee.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

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

S. F. No. 1980: A bill for an act relating to waste management; establishing a waste management board and a legislative commission; providing for a state government resource recovery program; providing for solid waste planning assistance and demonstration programs; providing for the issuance of state waste management bonds; providing for the establishment of solid waste management districts; requiring hazardous waste management planning and development; establishing procedures for the review and approval of permits for waste facilities; authorizing debt; appropriating money; amending Minnesota Statutes 1978, Sections 116.06, Subdivisions 9, 10, 13, and by adding subdivisions; 116.07, Subdivisions 2, 4, 4a, and by adding a subdivision; 116.081, Subdivision 1; 116.101; 116.11; 116.41; 400.03, Subdivision 1; 400.04; 400.06; 400.07; 400.13; 400.16; 400.161; 473.121, by adding a subdivision; 473.149; 473.502; 473.516; 473.802; 473.803; 473.811; 473.812, Subdivision 3; 473.813; 473.823, by adding a subdivision; Chapter 400, by adding a section; and Chapter 473, by adding sections: repealing Minnesota Statutes 1978, Sections 116F.01 to 116F.05; 400.03, Subdivisions 2 to 7; 473.121, Subdivisions 27 to 31c; and 473.823, Subdivisions 1, 2, and 4.

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

Page 2, line 14, delete "land"

Page 2, line 15, delete "containment and"

Page 2, line 19, delete "land containment and"

Page 3, line 4, delete ", land containment,"

Page 3, after line 6, insert:

*"Subd. 7. "Construction debris" means waste building materials, packaging and rubble resulting from construction, remodeling, repair and demolition of buildings and roads."*

Page 3, after line 23, insert:

*"Subd. 11. "Disposal facility" means a waste facility permitted by the agency, that is designed or operated for the purpose of disposing of waste on or in the land."*

Page 3, line 33, after "waste" insert "disposal"

Page 3, line 33, delete "for land"

Page 4, line 1, delete "containment or disposal"

Page 4, delete lines 4 to 9

Page 4, after line 21, insert:

*"Subd. 21. "Mixed municipal solid waste" means garbage, refuse, and other solid waste from residential, commercial, industrial, and community activities which is generated and collected in aggregate, but does not include auto hulks, street sweepings, ash, construction debris, mining waste, sludges, tree and agricultural wastes, tires, and other materials to the extent that such items are collected, processed, and disposed of as separate waste streams."*

Renumber the subdivisions in sequence

Page 5, line 2, delete "land containment or"

Page 6, line 10, delete ", land containment,"

Page 6, line 19, delete ", land containment,"

Page 7, line 13, delete "seven" and insert "nine"

Page 7, line 20, delete "and"

Page 7, line 21, after the semicolon, insert "(7) the commissioner of natural resources;"

Page 7, line 22, delete the first "permanent"

Page 7, line 22, delete the period and insert "in the unclassified service; and (8) a public member shall be appointed by the governor with the advice and consent of the senate. The term of office and compensation of the public member shall be as provided in section 15.0575."

Page 7, line 22, delete "seventh" and insert "ninth"

Page 7, line 25, after "chairperson" insert "and a public member"

Page 7, line 25, delete "a"

Page 7, line 26, delete "representative" and insert "representatives"

Page 7, line 31, delete "section 3" and insert "and for the purpose of preparing and adopting the hazardous waste management and facility development plan under section 8 and making decisions on the elements of the certification of need for land disposal required under Article III"

Page 11, after line 24, insert:

*"Sec. 5. [DUTIES OF THE BOARD; SOLID WASTE MANAGEMENT PLANNING ASSISTANCE.] The board shall be the state agency responsible for providing technical and financial assistance to political subdivisions of the state for solid waste management planning."*

Page 11, line 27, before "By" insert "The board may contract with the commissioner of economic development for research and assistance in the preparation of the report required by this subdivision."

Page 11, line 32, before "HAZARDOUS" insert "REPORT ON"

Page 11, line 32, delete "LAND CONTAINMENT AND" and insert "MANAGEMENT PLAN;"

Page 11, line 33, delete "REPORT" and insert "FACILITIES"

Page 12, line 1, delete "concerning facilities" and insert "on a state management and facility development plan for hazardous waste proposed for adoption pursuant to section 8."

Page 12, delete lines 2 to 29

Page 12, line 31, before "By" insert "The board may contract with the commissioner of economic development for research and assistance in the preparation of the report required by this subdivision."

Page 12, line 31, delete "1982" and insert "1981"

Page 13, line 22, after the period, insert "The methods of mitigating and compensating to be considered shall include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference in reviews of local applications for federal funds conducted by the metropolitan council and regional development commissions; payment of all costs to service the facilities including the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur."

Page 14, line 1, delete "6" and insert "7"

Page 14, line 3, delete "4" and insert "7"

Page 14, line 4, delete "land"

Page 14, line 5, delete "containment and"

Page 14, line 24, delete "land containment and"

Page 14, line 29, delete "In its"

Page 14, delete line 30

Page 14, line 31, delete everything before "to" and insert "The board may contract with the state planning agency for research and assistance in the preparation of the report required by this subdivision. By January 1, 1981, the board shall report and make recommendations to the legislative commission on actions"

Page 15, line 10, delete everything before the comma and insert "the seven county metropolitan area as defined in section 473.121, subdivision 4"

Page 15, line 18, after "board" insert ", and the city or town within which a proposed site is located,"

Page 16, line 7, after the period, insert "If the board has substantial reason to believe that another site within the county would be more suitable than the one proposed, the board may hold a public meeting within the county."

Page 16, line 8, after "after" delete "a" and insert "the"

Page 16, line 8, delete "within a county"

Page 16, line 10, after "than" insert "the"

Page 16, line 22, after the period, insert "However, the board may select one of the remaining inventory sites prior to the time a new site is added to the inventory."

Pages 16 and 17, delete section 7 and insert:

"Sec. 8. [MANAGEMENT AND FACILITY DEVELOPMENT PLAN.] *By May 1, 1982, the board shall adopt a hazardous waste management and facility development plan. The plan shall provide for the establishment of at least one commercial hazardous waste disposal facility in the state. The plan shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and the number, general types, sizes, operating life, and function or use of the disposal facilities needed in the state. The disposal facility development element of the plan shall be based on the board's analysis of feasible and prudent alternatives to disposal, including waste reduction, separation, pretreatment, processing, and resource recovery which would minimize adverse impact upon natural resources. Economic considerations alone shall not justify disposal nor the rejection of alternatives. The plan shall also include a plan for abating the need for and practice of hazardous waste land containment and disposal. The abatement plan shall be based on an analysis of the degree of abatement achievable through waste reduction, waste separation, waste processing, and resource recovery and an evaluation of specific and quantifiable alternative abatement objectives and degrees of abatement, along with hazardous waste management methods and technologies, private and government actions, facilities and services, development schedules, revenue-raising measures, and levels of public and private expenditure and effort necessary to the achievement of those alternative objectives and degrees of abatement. The abatement plan shall recommend priorities, objectives, and appropriate legislation for abating, immediately and over specified time periods, the land containment and disposal of hazardous waste in the state.*"

Page 17, line 17, delete everything after "have"

Page 17, line 18, delete "than 30" and insert "nine"

Page 17, line 30, delete everything before "members" and insert "nine"

Page 18, line 23, delete "14" and insert "ten"

Page 18, line 24, delete "Seven" and insert "Five"

Page 18, line 27, delete "Seven" and insert "Five"

Page 19, after line 27, insert:

"Subd. 5. [EXPIRATION.] *The commission shall cease to exist on June 30, 1985.*"

Page 21, line 3, after "1" delete the comma and insert "of"

Renumber the sections in sequence

Page 22, line 4, delete "LAND CONTAINMENT AND"

Page 22, line 9, delete "land"

Page 22, line 10, delete "containment and"

Page 22, after line 19, insert:

*"Sec. 2. [PROCEDURE NOT EXCLUSIVE.] The procedure established by this article for the permitting of hazardous waste disposal facilities is not exclusive and shall not preclude the issuance of other permits by the agency pursuant to section 116.07."*

Page 22, after line 22, insert:

*"Sec. 4. [REQUEST FOR PROPOSALS.] By October 1, 1980, the board shall publish a request for proposals from potential developers and operators of hazardous waste disposal facilities. Notice of the request shall be published in the state register and newspapers of general circulation in the state and shall be transmitted to all regional development commissions, the metropolitan council, and all counties in the state. The request shall solicit proposals and permit applications for hazardous waste land disposal facilities."*

Page 22, line 24, delete "June" and insert "July"

Page 22, line 24, delete "three" and insert "six"

Page 22, line 26, delete "land containment and"

Page 22, line 27, delete "and three additional locations in the state as"

Page 22, delete line 28

Page 22, line 29, delete "hazardous waste"

Page 22, line 30, delete "the"

Page 22, line 30, delete "waste management"

Page 23, line 3, delete "land containment and"

Page 23, line 4, delete "June" and insert "July"

Page 23, line 9, delete "land containment and"

Page 23, line 13, delete "land containment or"

Page 24, line 1, delete "land containment or"

Page 24, line 5, after "county" insert ", city, and town"

Page 24, line 15, after "county" insert ", city, and town"

Page 24, after line 20, insert:

*"Subd. 4. [MORATORIUM.] A moratorium is hereby imposed on all development, except of hazardous waste facilities, within each proposed hazardous waste disposal site identified pursuant to this section, and a buffer area identified by the board surround-*

*ing and at least equal in area to the site. The moratorium shall extend until six months following final action of the board pursuant to this article. No such development shall be allowed to occur within a proposed site or buffer area during the period of the moratorium. No county, city, or town land use control shall permit such development, nor shall any county, city or town sanction or approve any subdivision, permit, license, or other authorization which would allow such development to occur.*

**Sec. 6. [PRELIMINARY DESIGN SPECIFICATIONS.]** *By July 1, 1981, the board shall select, for further study and consideration, design and operating specifications for a variety of comparable facilities for hazardous waste disposal in sufficient detail and extent in the judgment of the agency to allow the commencement of preparation of environmental impact statements on the facilities at each of the candidate sites pursuant to section 10. The agency shall commence preparation of statements under section 10 upon receiving the specifications from the board."*

Page 24, line 22, delete "systematically" and after "to" insert "systematically"

Page 24, line 23, delete "land"

Page 24, line 24, delete "containment and"

Page 24, line 26, delete "5 and 6" and insert "8 and 9"

Page 25, line 6, delete "July" and insert "August"

Page 25, line 17, delete "August" and insert "September"

Page 25, line 26, delete "land containment and"

Page 25, line 31, delete "legislation" and insert "legislative"

Page 26, line 13, delete "5" and insert "6"

Pages 26 and 27, delete sections 6 and 7 and insert:

**"Sec. 9. [CERTIFICATION OF NEED.]** *By May 1, 1982, based on its comprehensive hazardous waste management plan adopted under Article II, section 8, the board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The board shall require the establishment of at least one commercial disposal facility 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, general types, sizes, operating life, 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 reasonably available 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 disposal facility in the state. Economic considerations alone shall not justify certification nor the rejection of alternatives. The certification shall be the final determination required on the matters decided by the certificate*

*or certificates of need. The board and the permitting agencies, in reviewing and selecting candidate sites, competing 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 having the waste management capabilities described in the certification. The board and the permitting agencies shall be required to make a final decision approving the establishment of at least one commercial disposal facility for hazardous waste in the state."*

Page 28, line 3, delete everything after "the"

Page 28, delete line 4

Page 28, line 6, delete "280" and insert "120"

Page 29, line 3, after the semicolon, insert "and"

Page 29, line 16, delete "hearings" and insert "meetings"

Page 29, line 23, delete everything after "AGENCY"

Page 29, line 24, delete "APPLICATIONS" and insert "PERMIT CONDITIONS"

Page 29, line 24, delete "90" and insert "60"

Page 29, line 29, delete "respond to the"

Page 29, delete line 30

Page 29, line 31, delete "The response shall" and insert "finally"

Page 29, line 31, after "of" insert "agency"

Page 30, line 1, delete "and preliminary permit applications"

Page 30, line 2, delete "response" and insert "decision"

Page 30, line 4, delete "and preliminary permit applications"

Page 30, line 6, delete "90" and insert "60"

Page 30, line 6, delete "response to the"

Page 30, line 7, delete "preliminary permit applications" and insert "decision on permit conditions"

Pages 31 to 33, delete sections 10 and 11 and insert:

"Sec. 12. [JUDICIAL REVIEW.] Any civil action maintained by or against the agency or board under this Article shall be brought in the county where the principal office of the board is located and shall take precedence over all other matters of a civil nature and be expedited to the maximum extent possible. Any person aggrieved by a final decision of the board authorizing facilities under this Article may appeal therefrom within 30 days in the manner provided in chapter 15. No civil action shall be maintained pursuant to section 116B.03 with respect to conduct taken by a

*person pursuant to any environmental quality standard, limitation regulation, rule, order, license, stipulation agreement or permit issued by the board under this Article. Notwithstanding any provision of chapter 116B to the contrary, in any action brought under that chapter with respect to any decision or conduct undertaken by any person or the board or agency pursuant to this article, after the period for appeal under this section has lapsed, the plaintiff shall have the burden of proving that the evidence required under section 116B.10 was not reasonably available within the time provided for appeal. The trial court shall, upon motion of any prevailing non-governmental party, award costs, disbursements, reasonable attorney's fees, and reasonable expert witness fees, if the court finds the action hereunder was commenced or defended in bad faith or was frivolous."*

Page 34, delete lines 13 to 16

Page 34, line 17, delete "waste facility." and insert "[ELIGIBILITY.] *The following persons shall be eligible to request supplementary review by the board pursuant to this section: (a) a generator of sewage sludge within the state which has been issued permits by the agency for a facility to dispose of sewage sludge or solid waste resulting from sewage treatment; and (b) a person who has been issued permits by the agency for a solid waste facility located outside the metropolitan area.*

*Subd. 2. [REQUEST FOR REVIEW.] An eligible person may request a supplementary review by the board."*

Page 34, line 20, delete "local government"

Page 34, line 21, delete "unit" and insert "political subdivision"

Page 34, line 22, delete everything after the period

Page 34, delete lines 23 to 28 and insert "*For requests for review under subdivision 1, clause (b), the board may require completion of a plan conforming to the requirements of article V, section 5, before granting review.*

*Subd. 3. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.] Within 45 days of the submission of a request determined by the board to satisfy the requirements for review under this section, temporary board members shall be added to the board for the purpose of the supplementary review. Three members shall be selected by the governing body of the city or town in which the waste management board determines the facility would be principally located, and three members shall be selected by the governing body of the county in which the waste management board determines the proposed facility would be principally located. If the proposed facility is located in unorganized territory, all six members shall be selected by the governing board of the county. Temporary members shall be residents of the county or counties in which the proposed facility would be located and shall be selected to represent broadly the local interests that would be directly affected by the proposed facility. At least one member appointed by the city or town shall live within*

one mile of the proposed facility, and at least one member appointed by the county shall be a resident of a city or town in which the proposed facility would be located. Temporary board members shall serve for terms lasting until the board has taken final action on the project.

*Subd. 4. [REVIEW PROCEDURE.] The board shall meet to commence the supplementary review within 90 days of the submission of a request determined by the board to satisfy the requirements for review under this section. At the meeting commencing the review the chairman shall recommend and the board establish a scope and procedure for its review and final decision on the proposed facility. The procedure shall require the board to make a final decision on the proposed facility within 90 days following the commencement of review. The procedure shall require the board to conduct at least one public meeting in the county within which the proposed facility would be located. Notice of the meeting shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the meeting. The notice shall describe the proposed facility, its location, the proposed permits, and the board's scope and procedure for review. The notice shall identify a location or locations within the city or town and county where the permit applications, the agency notice of intent, and the board's scope and procedure for review are available for review and where copies may be obtained."*

Renumber the subdivisions in sequence

Page 36, line 17, delete "and" and after "(b)" insert "a generator of hazardous waste within the state, or an entity composed of or under contract to such generators, which has been issued permits by the agency for an interim storage facility for hazardous waste pursuant to Article XI, section 9; and (c)"

Page 36, line 21, delete "6" and insert "7"

Page 37, line 20, delete "chairman" and insert "chairperson"

Page 38, line 28, delete "land containment and"

Pages 40 to 42, delete sections 5 and 6 and insert:

*"Sec. 5. [JUDICIAL REVIEW.] Judicial review of any decision under section 3 of this article shall be in the manner provided in Article III, section 12."*

Page 42, line 20, after "rules" insert "pursuant to chapter 15"

Page 42, line 21, delete "pursuant to chapter 15" and insert "outside the metropolitan area"

Page 43, line 9, delete "and ordinances"

Page 43, line 22, after the period insert "Political subdivisions preparing plans under this article are encouraged to consult with persons presently providing solid waste collection, processing or disposal services in the preparation of the plan."

Page 44, line 12, after the period insert "*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 and standards adopted by the agency pursuant to chapter 116.*"

Page 46, line 11, after "serve" insert "at least"

Page 46, line 14, delete "by generators"

Page 46, line 15, delete the semicolon and insert "*by generators or collectors of solid waste; or*"

Page 46, line 20, after the semicolon, insert "and"

Page 47, line 27, after "facilities" insert "or systems"

Page 47, line 30, after "facilities" insert "and systems"

Page 48, line 1, after "facilities" insert "and systems"

Page 48, line 5, after "facilities" insert "and systems"

Page 48, line 6, after "facilities" insert "and systems"

Page 56, line 13, after the period insert "*The board shall not establish a district unless the petitioners demonstrate that they are unable to fulfill the purposes of a district through joint action under Minnesota Statutes, section 471.59.*"

Page 56, line 13, delete "may" and insert "shall"

Page 57, line 6, before "waste" insert "solid"

Page 57, line 12, after the semicolon, insert "and"

Page 57, line 24, delete "and" and insert a comma

Page 57, line 26, after "alteration" insert "*and each regional development commission affected by the proposed district or alteration*"

Page 62, line 8, after the semicolon, insert "and"

Page 67, line 32, delete "or" and insert a comma

Page 67, line 33, after "generator" insert "*or by a licensed solid waste collector*"

Page 68, line 31, after "not" insert "arbitrarily"

Page 69, line 1, before the period insert "*or without just cause*"

Page 69, line 4, delete "adeqate" and insert "adequate"

Pages 70 and 71, delete subdivision 4

Page 73, line 28, delete "and" and insert a comma

Page 73, line 29, after "facilities" insert "*, and sewage sludge disposal facilities*"

Page 74, line 13, delete "state agencies" and insert "*the waste management board*"

Page 74, line 14, after "the" insert "*planning,*"

Page 74, line 17, strike the comma

Page 74, line 18, strike "regulations"

Page 74, line 18, reinstate the stricken language and delete the new language

Page 74, line 19, strike everything before the period

Page 75, line 13, delete "*shall*" and reinstate the stricken word "*may*"

Page 75, lines 15 to 19, delete the new language

Page 75, line 22, delete "*mixed municipal*"

Page 75, line 24, delete "*mixed*"

Page 75, line 25, delete "*municipal*"

Page 75, line 25, delete "*facility or sewage sludge disposal*"

Page 75, line 31, after the period insert "*The county shall adopt such ordinances for mixed municipal solid waste management and for sewage sludge disposal.*"

Page 76, line 3, after the period insert "*The county ordinance shall not prevent or restrain the location, establishment, operation, expansion, continuance, or closure of any solid waste or sewage sludge disposal facility in accordance with certificates, permits and other approvals by state agencies pursuant to Article IV, except that ordinances approved by the agency as being consistent with the establishment and use of facilities in accordance with such certificates, permits, and approvals may impose conditions respecting the construction, inspection, monitoring, and maintenance of a facility.*"

Page 76, line 33, delete "*and*"

Page 77, line 1, reinstate the second comma and delete "*and*"

Page 77, line 1, after "transportation" insert "*, processing, disposal,*"

Page 77, line 1, reinstate "*and storage*"

Page 77, line 2, reinstate "*, (d)*"

Page 77, line 3, reinstate "*others matters as may be*"

Page 77, lines 4 and 5, reinstate the stricken language

Page 77, line 7, after the period insert "*The county ordinance shall not prevent or restrain the location, establishment, operation, expansion, continuance, or closure of any hazardous waste facility in accordance with certificates, permits, and other approvals by state agencies pursuant to Articles III and IV, except that ordinances approved by the agency as being consistent with the establishment and use of facilities in accordance with such certificates, permits, and approvals may impose conditions respecting the construction, inspection, monitoring, and maintenance of a facility.*"

Page 78, line 13, delete everything after "requirements" and insert "in"

Page 78, line 14, after "VIII" insert ", section 9, subdivisions 2 to 6"

Page 79, line 11, after "terms" insert "relating to waste"

Page 82, line 2, delete everything after "area"

Page 82, line 3, delete "metropolitan area"

Page 82, line 13, delete everything after the period

Page 82, delete lines 14 to 17 and insert "*For sites and buffer areas included in the council's inventory, the moratorium imposed under section 473.803, subdivision 2, shall extend until October 1, 1983.*"

Page 82, line 24, after the period insert "*The methods of mitigating and compensating to be considered shall include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference for the city or town containing a facility in reviews of eligibility for federal funds conducted by the council; payment of all costs to service the facilities including the costs of roads, monitoring, inspection, and enforcement police and fire, and litter clean up costs; payment for "buffer zone" amenities and improvements; city or town control over buffer zone design; elimination of the tipping charge for solid waste collected in the city or town; a guarantee against any and all liability that may occur; payment for reclamation of closed sites to local design specifications.*"

Page 83, line 14, delete "June" and insert "January"

Page 83, line 15, after "counties" insert ", cities, and towns"

Page 83, line 16, delete "select specific sites from"

Page 83, delete line 17

Page 83, line 18, delete "4 for acquisition" and insert "*determine the number of sites needed to be acquired by each metropolitan county*"

Page 83, line 21, delete "at the sites selected" and insert "*by each such county*"

Page 83, line 24, after the period insert "*The schedule may include standards, criteria, and procedures to be used by counties in selecting sites for acquisition pursuant to article X, section 72.*"

Page 83, delete line 26

Page 83, line 27, delete everything before the period and insert "*pursuant to section 473.823*"

Page 83, line 32, delete "*The schedule*"

Page 83, delete line 33

Page 84, delete lines 1 to 5

Page 85, line 9, after "plan" strike "and" and insert "*the performance of the council's responsibilities under subdivisions 2 to 7,*"

Page 85, line 23, delete "*citizens or representatives*" and insert "*residents*"

Page 85, line 25, before the period insert "*and that counties containing three sites have at least two such additional members and counties containing one or two sites have at least one such additional member*"

Page 86, line 33, after "including" insert "*development rights,*"

Page 87, line 5, delete "*land containment,*"

Page 87, line 30, delete "*The commission may*"

Page 87, delete line 31 to 33

Page 88, delete lines 1 to 8 and insert "*Ordinances of counties and local units of government, which are approved by the council and the agency as being consistent with the establishment and use of the commission's waste facilities in accordance with the council's plan and agency rules and permits, and which are approved by the agency as being consistent with any final decision of the board in a review of a facility of the commission under Articles III or IV, may impose conditions respecting the construction, operation, inspection, monitoring, and maintenance of a waste facility of the commission. Counties and local units of government shall not prevent or restrain the sale, gift, delivery, use, and disposal of sewage sludge of the commission on private property as a soil conditioner or soil amendment, except that county and local ordinances approved by the council and the agency as being consistent with the use of sewage sludge of the commission for such purposes in accordance with the council's plans and agency rules and permits may impose conditions respecting the transportation, delivery, and storage of the sewage sludge.*"

Page 90, line 33, delete "*April*" and insert "*June*"

Page 91, line 1, delete "*five*" and insert "*three*"

Page 91, line 2, after "*county*" insert "*suitable*"

Page 91, line 2, after "*for*" insert "*mixed municipal*"

Page 91, line 2, after "*facilities*" insert "*and one proposed site in the county suitable for the disposal of construction debris,*"

Page 91, line 3, delete "*and*"

Page 91, line 4, delete everything before the period and insert "*or disapproval*"

Page 91, line 5, after "*approve*" delete "*the*" and insert "*or disapprove each*"

Page 91, line 5, delete "*sites*" and insert "*site in accordance with the standards set out in this subdivision*"

Page 91, line 6, delete "at least" and insert "no less than"

Page 91, line 6, after "acres" delete "plus" and insert "and no more than 250 acres. The inventory shall include, for each proposed site,"

Page 91, line 7, delete "surrounding"

Page 91, line 7, delete everything after "area"

Page 91, line 8, delete everything before "site" and insert "surrounding and at least equal to the area of the"

Page 91, line 11, after "county" insert "or approved by the council"

Page 91, line 21, after the period insert "The council shall notify a county of any site proposed by the county which the council disapproves and shall allow the county 60 days to propose an alternative site. If the county fails to propose an alternative acceptable to the council in the time allowed, the council shall propose a site acceptable to it for inclusion in the inventory of proposed sites in that county."

Page 91, line 24, delete "in the master plan"

Page 91, delete lines 25 to 31 and insert "A moratorium is hereby imposed on development within the area of each proposed site and buffer area pending the council's adoption of an inventory pursuant to section 473.149, subdivision 4. For sites and buffer areas included in the council's inventory, the moratorium shall extend until October 1, 1983. No development shall be allowed to occur within the area of a proposed site or buffer area during the period of the moratorium. No county, city, or town land use control shall permit such development, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow such development to occur."

Page 94, line 23, delete "accomplishment of its purposes" and insert "evaluation of a waste facility for enforcement purposes or to the evaluation of a site or buffer area for inclusion in the inventory of disposal sites pursuant to section 473.149, subdivision 4, and section 473.803, subdivision 2, or for final acquisition under article X, section 12 of this act"

Page 99, line 30, after "act" insert "together with any county, city, or town within or without the metropolitan area"

Page 101, line 23, delete "473.812" and insert "473.823"

Page 104, after line 5, insert:

"Sec. 10. Minnesota Statutes 1978, Section 473.823, is amended by adding a subdivision to read:

*Subd. 5. [COUNCIL; CERTIFICATION OF NEED FOR SOLID WASTE DISPOSAL FACILITIES.] No new solid waste disposal facility shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the*

*council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 6, and the abatement master plans of counties adopted pursuant to section 473.803, subdivision 3. The council shall certify need only to the extent that there are no reasonably available feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Economic considerations alone shall not justify the certification of need or the rejection of alternatives."*

Page 104, line 8, delete "3a" and insert "6"

Page 104, line 14, delete everything after the period

Page 104, delete lines 15 to 19 and insert *"The council may designate a facility under this subdivision 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. In determining whether to designate and require the use of the facility the council 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; and*

*(d) less restrictive methods for ensuring an adequate solid waste supply are available.*

*The council shall not designate and require use of facilities for materials which are 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 council shall proceed as follows when designating and requiring use of facilities:*

*(a) The council shall notify those persons whom the council has determined should use the facilities. Notification to political subdivisions, landfill operators, and licensed solid waste collectors shall be in writing. All other persons shall be notified at least by publication in a legal newspaper or newspapers having general circulation in the area. The notification shall specify types and quantities of solid wastes, plans for use of the solid wastes, the point of delivery of the solid wastes, and the fee to be charged. During a period of 90 days following the notification, the council shall negotiate with licensed solid waste collectors within the areas to be served in order to develop contractual agreements on the terms of required use of the designated facilities.*

*(b) If contracts have not been made at the end of the 90-day period, or if persons subject to the required use have not made arrangements sufficient to justify exemption, the council shall hold a public hearing to take testimony on the required use of the designated facilities. The hearing shall be preceded by the notice required under paragraph (a).*

*(c) If contracts have not been made within 30 days after the public hearing, or if persons subject to the required use have not made arrangements sufficient to justify exemption, the council may order any person identified in the notice of the council to use the designated facilities, starting at a specified date which shall be at least 30 days after the order has been issued.*

*The facilities designated by the council shall not arbitrarily terminate, suspend, or curtail services provided to any person required pursuant to this section to use designated facilities without the consent of the person, or without just cause.*

*Use required under contract or order pursuant to this section may be terminated by a person upon an adequate showing to the council that the solid waste has value and that arrangements have been made sufficient to justify exemption from the designation, unless the council determines that the requirement must be continued to assure delivery of waste necessary to the financial support of the facilities designated by the council."*

Page 104, line 28, delete "designated and"

Page 104, line 29, delete "scheduled in the plan"

Page 104, line 30, after "facilities" insert "pursuant to this section and section 12 of this article"

Page 105, line 12, delete "designated for"

Page 105, line 13, delete "acquisition" and insert "required to be acquired by the county"

Page 105, line 13, before the period insert "and development schedule adopted pursuant to section 473.149, subdivision 7"

Page 105, line 17, after "1." insert "[SELECTION AND DESIGNATION OF SITES.] Each metropolitan county shall establish a site selection authority. By June 1, 1983, each site selection authority shall select specific sites within the county from the council's disposal site inventory, in accordance with the standards, criteria, and procedures established by the council under section 473.149, subdivision 7, and in a number equal to that required by the council to be acquired by the county. Each site selection authority shall be composed of the county board, plus one member appointed by the governing body of each city or town within the county containing a site in the council's disposal site inventory or the majority of the land contained within such a site. If the number of members on the site selection authority who reside in a city or town containing all or part of a site or buffer area is equal to or greater than the number of members who do not, the chairman of the county board shall appoint to

*the authority an additional member or members, residing within the county but not within a city or town containing all or part of a site or buffer area, sufficient to assure a majority of one on the authority of members residing in cities and towns not containing all or any part of a site of buffer area. The chairman of the county board shall be the chairman of the site selection authority. If a site selection authority has not selected the requisite number of sites in accordance with the council's standards, criteria, and procedures by June 1, 1983, the council shall make the selection.*

*Subd. 2."*

Renumber the subdivisions in sequence

Page 105, line 23, delete everything after "site"

Page 105, delete lines 24 and 25

Page 105, line 26, delete everything before the period and insert "selected pursuant to subdivision 1"

Page 105, line 28, delete "after the year 1990"

Page 105, line 32, delete everything after the period

Page 105, delete line 33 and insert "An increase or decrease in the value of property resulting from its designation in the inventory of disposal sites and buffer areas or its selection as a site or buffer area"

Page 106, line 7, delete "their then current market"

Page 106, line 8, delete "value" and insert "the price of purchase plus interest at the rate permitted under Minnesota Statutes, Section 334.01"

Page 106, line 13, delete "disposal sites and buffer areas" and insert "a disposal site and buffer area selected pursuant to subdivision 1"

Page 106, line 18, delete "shall" and insert "may"

Page 106, line 21, delete "shall" and insert "may"

Page 107, line 3, delete "as follows: (a) one half"

Page 107, line 7, delete "; and" and insert a period

Page 107, delete lines 8 to 10

Page 107, line 24, after "to" insert "the auditor of each county the amount to be levied within"

Page 107, line 25, delete "the payment required from it"

Page 108, delete lines 4 to 17 and renumber the remaining subdivision in sequence

Page 108, line 19, delete "to 5" and insert "and 4"

Page 109, delete lines 25 and 26

Renumber the subdivisions in sequence

Page 112, line 8, reinstate the stricken language and insert a comma before "*processing*"

Page 113, line 26, delete "*land*"

Page 113, line 27, delete "*containment,*"

Page 113, line 28, strike "no" and insert "a"

Page 113, line 29, after "*may*" insert "*not*"

Page 114, line 11, delete "REGULATIONS" and insert "RULES"

Page 114, line 14, strike "regulations" and insert "rules"

Page 114, line 17, strike "regulation" and insert "rule"

Page 114, line 21, strike "regulations" and insert "rules"

Page 114, line 29, strike "regulations" and insert "rules"

Page 114, line 32, reinstate the stricken language and insert a comma before "*processing*"

Page 115, line 4, delete "*regulations*" and insert "*rules*"

Page 115, line 5, strike "regulation" and insert "rule"

Page 115, lines 9 and 29, strike "regulations" and insert "rules"

Page 115, line 15, reinstate the stricken language and insert a comma before "*processing*"

Page 115, line 25, strike "regulation" and insert "rule"

Page 116, line 6, strike "regulations" and insert "rules"

Page 116, line 10, reinstate the stricken language and insert a comma before "*transportation*"

Page 116, line 10, delete ", *land*"

Page 116, line 11, delete "*containment*"

Page 116, line 12, strike "regulation" and insert "rule"

Page 117, line 6, delete "*land containment,*"

Page 117, after line 19, insert:

"Sec. 8. Minnesota Statutes 1978, Section 116.07, is amended by adding a subdivision to read:

*Subd. 4b.* [PERMITS; HAZARDOUS WASTE FACILITIES.]"

Page 117, line 26, delete "*within ten days of*" and insert "*immediately upon*"

Page 118, line 2, delete "*Execpt*" and insert "*Except*"

Page 118, line 3, delete "120" and insert "60"

Page 118, after line 7, insert:

"Sec. 9. Minnesota Statutes 1978, Section 116.07, is amended by adding a subdivision to read:

*Subd. 4c. [PERMITS; INTERIM HAZARDOUS WASTE STORAGE FACILITIES.] A generator of hazardous waste within the state, or an entity composed of or under contract to such generators, may apply to the agency for permits for interim storage facilities for hazardous waste generated within the state. The application shall demonstrate: (a) that no feasible and prudent alternative is available to eliminate the hazardous properties of the waste or the need for a waste facility to handle the waste, and (b) that no waste facility is reasonably available to accept the waste. The agency and the environmental quality board shall give highest priority to and shall expedite consideration of such applications. The agency shall make a determination on environmental documents required on the application within 30 days of submittal of the application. The environmental quality board shall finally accept or reject any environmental impact statement required within 280 days following publication of the impact statement preparation notice. The agency shall finally issue or deny permits within 30 days following a decision not to prepare environmental documents or following acceptance of a negative declaration notice or an environmental impact statement by the environmental quality board. An interim storage permit issued pursuant to this subdivision or pursuant to or in accordance with an order of the board regarding such a permit under article IV shall not affect the responsibility of the generator for removal and final processing, containment, or disposal in a permitted hazardous waste facility. A permit shall not be issued under this subdivision for a period longer than three years, but such permits may be renewed by administrative action of the agency without a hearing or other review procedures for up to three additional one year periods."*

Page 118, line 16, after "require" insert ", by rule,"

Page 118, line 30, after "investigations" delete the comma and insert "and"

Page 118, line 30, delete ", and"

Page 118, line 31, delete "hold the hearings"

Page 119, line 7, delete ", land containment"

Page 119, line 9, strike "regulation" and insert "rule"

Pages 120 and 121, delete section 11

Page 121, line 17, delete "land containment and"

Page 121, line 24, delete "land containment and"

Page 122, line 1, delete "containment and from land disposal respectively," and insert "disposal"

Page 122, line 3, delete "land containment and for land"

Page 122, line 4, delete "respectively"

Page 122, line 5, delete "*land containment and for*"

Page 122, line 6, delete "*land*"

Page 122, line 16, after "*operating*" insert "*and inspecting*"

Page 122, line 16, delete "*land containment and*"

Page 122, line 17, strike "*may*" and insert "*shall*"

Page 122, line 18, delete "*land containment and*"

Page 127, before line 5, insert:

"Section 1. Minnesota Statutes 1978, Section 272.02, Subdivision 1, is amended to read:

272.02 [EXEMPT PROPERTY.] Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025, 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;
- (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 (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.

(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."

Page 127, line 9, after "4" insert "; and Laws 1978, Chapter 728, Section 7"

Page 127, after line 9, insert:

Sec. 3. [EFFECTIVE DATE.] *Section 1 is effective for taxes levied in 1980 and thereafter, payable in 1981 and thereafter.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "facilities" insert "; providing that certain solid waste disposal sites are not exempt from real property taxes"

Page 1, line 16, delete "a subdivision" and insert "subdivisions"

Page 1, line 17, delete "116.11;"

Page 1, line 17, after "116.41" insert "; 272.02, Subdivision 1"

Page 1, line 21, delete "473.812, Subdivision 3;"

Page 1, line 22, after "473.823," insert "Subdivision 3, and"

Page 1, line 25, after "116F.01" delete "to" and insert "; 116F.02; 116F.03; 116F.04;"

Page 1, line 26, after "2" delete "to" and insert ", 3, 4, 5, 6, and"

Page 1, line 26, after "27" delete "to" and insert ", 28, 29, 31, 31a, 31b, and"

Page 1, line 26, delete "and"

Page 1, line 27, after "4" insert "; and Laws 1978, Chapter 728, Section 7"

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

## SECOND READING OF SENATE BILLS

S. F. Nos. 1977, 1708, 1892, 1796, 1716, 1613, 1811, 1751, 1541, 2095, 1903 and 1732 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

## MOTIONS AND RESOLUTIONS

Mr. McCutcheon moved that the name of Mr. Merriam be added as chief author to S. F. No. 1458. The motion prevailed.

Mr. Keefe, S. moved that the name of Mrs. Staples be added as co-author to S. F. No. 2060. The motion prevailed.

Mr. Pillsbury moved that the names of Messrs. Moe, Dunn and Kleinbaum be added as co-authors to S. F. No. 2191. The motion prevailed.

#### CONFIRMATION

Mr. Willet moved that the report from the Committee on Agriculture and Natural Resources, reported May 9, 1979, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Willet moved that the foregoing report be now adopted. The motion prevailed.

Mr. Willet moved that in accordance with the report from the Committee on Agriculture and Natural Resources, reported May 9, 1979, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### MINNESOTA POLLUTION CONTROL AGENCY

Virgil C. Herrick, 477 Rice Creek Terrace, Fridley, Anoka County, effective March 19, 1979, for a term expiring the first Monday in January, 1980.

Duane Rappana, 62 Pike Lake, Duluth, St. Louis County, effective February 22, 1979, for a term expiring the first Monday in January, 1983.

The motion prevailed. So the appointments were confirmed.

#### CONFIRMATION

Mr. Schaaf moved that the report from the Committee on Governmental Operations, reported February 28, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Schaaf moved that the foregoing report be now adopted. The motion prevailed.

Mr. Schaaf moved that in accordance with the report from the Committee on Governmental Operations, reported February 28, 1980, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### METROPOLITAN COUNCIL CHAIRMAN

Charles Weaver, 830 River Lane, Anoka, Anoka County, effective February 5, 1979, for a term expiring the first Monday in January, 1983.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Davies	Frederick	Humphrey
Bang	Brataas	Dieterich	Gearty	Jensen
Barrette	Chmielewski	Dunn	Gunderson	Johnson
Benedict	Coleman	Engler	Hughes	Keefe, J.

Keefe, S.	McCutcheon	Olson	Schmitz	Stokowski
Kirchner	Menning	Omann	Setzepfandt	Strand
Kleinbaum	Merriam	Perpich	Sieloff	Stumpf
Knaak	Moe	Peterson	Sikorski	Ueland, A.
Knoll	Nelson	Purfeerst	Sillers	Ulland, J.
Laufenburger	Nichols	Renneke	Solon	Wegener
Lessard	Ogdahl	Rued	Spear	Willet
Luther	Oihoft	Schaaf	Staples	

The motion prevailed. So the appointment was confirmed.

#### CONFIRMATION

Mr. Schaaf moved that the report from the Committee on Governmental Operations, reported February 28, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Schaaf moved that the foregoing report be now adopted. The motion prevailed.

Mr. Schaaf moved that in accordance with the report from the Committee on Governmental Operations, reported February 28, 1980, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### METROPOLITAN COUNCIL

Martin N. Kellogg, 339 Mt. Curve Blvd., St. Paul, Ramsey County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

Charles L. Rafferty, 532 Jessamine Avenue, St. Paul, Ramsey County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

George C. Dahlvang, 4535 Washburn Avenue North, Minneapolis, Hennepin County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

Gladys S. Brooks, 5056 Garfield Avenue South, Minneapolis, Hennepin County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

Ernest A. Lindstrom, 7406 Fremont Avenue South, Minneapolis, Hennepin County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

Dirk deVries, 18600 Woolman Drive, Minnetonka, Hennepin County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

Marcia L. Bennett, 654 48th Avenue NE, Columbia Heights, Anoka County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

Kathleen C. Ridder, 1744 Dodd Road, St. Paul, Dakota County, effective March 1, 1979, for a term expiring the first Monday in January, 1983.

Roger H. Scherer, 7118 North Willow Lane, Brooklyn Center,

Hennepin County, effective March 15, 1979, for a term expiring the first Monday in January, 1981.

Patricia J. Hasselmo, 516 Westwood Drive South, Golden Valley, Hennepin County, effective October 19, 1979, for a term expiring the first Monday in January, 1981.

Mr. Johnson requested that the confirmation of Martin N. Kellogg be divided out.

The question was taken on the motion of Mr. Schaaf to confirm the remaining appointments. The motion prevailed. So the appointments were confirmed.

The question was taken on the adoption of the motion to confirm the appointment of Martin N. Kellogg.

The roll was called, and there were yeas 50 and nays 8, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Olhoft	Sillers
Bang	Gearty	Knoll	Olson	Solon
Barrette	Gunderson	Laufenburger	Omman	Spear
Bernhagen	Hughes	Luther	Purfeerst	Staples
Brataas	Humphrey	Menning	Renneke	Stokowski
Coleman	Jensen	Merriam	Schaaf	Strand
Davies	Keefe, J.	Moe	Schmitz	Stumpf
Dieterich	Keefe, S.	Nelson	Setzepfandt	Ueland, A.
Dunn	Kirchner	Nichols	Sieloff	Ulland, J.
Engler	Kleinbaum	Ogdahl	Sikorski	Wegener

Those who voted in the negative were:

Benedict	Johnson	Perpich	Rued	Willet
Chmielewski	Lessard	Peterson		

The motion prevailed. So the appointment was confirmed.

#### CALENDAR

S. F. No. 1240: A bill for an act relating to natural resources; setting forth the rights of property owners whose property is purchased for conservation purposes; revising responsibilities of the commissioner of natural resources and the commissioner of administration in property acquisition; authorizing the commissioner of natural resources, with the approval of the state executive council to convey the interests of the state in lands for the purpose of correcting boundary description errors; amending Minnesota Statutes 1978, Sections 84.0272; 85.012, Subdivision 1; 85.015, Subdivision 1; 85.021, Subdivisions 1 and 2; and 104.37, Subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Bang	Gearty	Laufenburger	Perpich	Spear
Barrette	Gunderson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Renneke	Strand
Brataas	Jensen	Merriam	Rued	Stumpf
Chmielewski	Johnson	Moe	Schaaf	Ueland, A.
Coleman	Keefe, J.	Nelson	Schmitz	Ulland, J.
Davies	Keefe, S.	Nichols	Setzepfandt	Wegener
Dieterich	Kirchner	Ogdahl	Sieloff	Willet
Dunn	Kleinbaum	Olhoft	Sikorski	
Engler	Knaak	Olson	Sillers	
Frederick	Knutson	Omann	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1584: A bill for an act relating to transportation; providing for specific information signing for resorts and recreational camping areas along certain highways.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Perpich	Staples
Bang	Gearty	Laufenburger	Peterson	Stokowski
Barrette	Gunderson	Lessard	Purfeerst	Strand
Benedict	Hughes	Luther	Rued	Stumpf
Bernhagen	Humphrey	Menning	Schaaf	Ueland, A.
Brataas	Jensen	Merriam	Schmitz	Ulland, J.
Chmielewski	Johnson	Moe	Setzepfandt	Wegener
Coleman	Keefe, J.	Nelson	Sieloff	Willet
Davies	Keefe, S.	Nichols	Sikorski	
Dieterich	Kirchner	Olhoft	Sillers	
Dunn	Kleinbaum	Olson	Solon	
Engler	Knaak	Omann	Spear	

Messrs. Knutson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1772: A bill for an act relating to highway traffic regulations; authorizing an annual permit for certain oversize vehicles transporting implements of husbandry; prescribing limitations on the use of the vehicles; amending Minnesota Statutes 1978, Section 169.80, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 3, as follows:

Those who voted in the affirmative were:

Ashbach	Chmielewski	Hughes	Kirchner	Lessard
Bang	Coleman	Humphrey	Kleinbaum	Luther
Barrette	Dunn	Jensen	Knaak	McCutcheon
Benedict	Engler	Johnson	Knoll	Menning
Bernhagen	Gearty	Keefe, J.	Knutson	Merriam
Brataas	Gunderson	Keefe, S.	Laufenburger	Moe

Nelson	Perpich	Schmitz	Staples	Wegener
Nichols	Peterson	Setzepfandt	Stokowski	Willet
Ogdahl	Purfeerst	Sieloff	Strand	
Olhoft	Renneke	Sikorski	Stumpf	
Olson	Rued	Sillers	Ueland, A.	
Omann	Schaaf	Solon	Ulland, J.	

Messrs. Davies, Dieterich and Spear voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1764: A bill for an act relating to taxation; property tax; providing for uncontested hearings for property valuation; information to be included on valuation notices; clarifying the computation of agricultural aid credit; clarifying acreage available for homestead credit; prohibiting increases in valuation of property after appeals of market value; changing date for county board of equalization meeting and transfer of books to treasurer; changing penalty and interest rates; clarifying the role of administrative auditor in fiscal disparities; amending Minnesota Statutes 1978, Sections 270.11, Subdivision 6; 273.121; 273.13, Subdivision 6a; 273.135, Subdivision 1; 274.01, Subdivision 1; 274.13, Subdivision 1; 274.14; 276.01; 279.01; 279.37, Subdivision 2; 282.01, Subdivisions 1 and 4; 282.222, Subdivision 4; 282.261; and 473F.08, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 273.13, Subdivision 6; and 282.15; repealing Minnesota Statutes 1978, Sections 275.31; 275.32; 275.33; 275.34; 275.35; and 473F.08, Subdivisions 7 and 8.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hughes	Lessard	Peterson	Staples
Benedict	Humphrey	Luther	Purfeerst	Stokowski
Bernhagen	Jensen	McCutcheon	Renneke	Strand
Brataas	Johnson	Menning	Rued	Stumpf
Chmielewski	Keefe, J.	Moe	Schaaf	Ueland, A.
Davies	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Wegener
Dunn	Kleinbaum	Ogdahl	Sieloff	Willet
Engler	Knaak	Olhoft	Sikorski	
Frederick	Knoll	Olson	Sillers	

Messrs. Coleman and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1625: A bill for an act relating to the town of Greenwood; granting the town the power to specially assess for a bridge improvement.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Perpich	Staples
Bang	Gunderson	Lessard	Peterson	Stokowski
Barrette	Hughes	Luther	Purfeerst	Strand
Benedict	Humphrey	Menning	Renneke	Stumpf
Bernhagen	Jensen	Merriam	Schaaf	Ueland, A.
Brataas	Johnson	Moe	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Setzepfandt	Wegener
Coleman	Keefe, S.	Nichols	Sieloff	Willet
Davies	Kleinbaum	Ogdahl	Sikorski	
Dieterich	Knaak	Olhoft	Sillers	
Dunn	Knoll	Olson	Solon	
Engler	Knutson	Omann	Spear	

Mr. McCutcheon voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1619: A bill for an act relating to the metropolitan transit area; providing for contracts with socially or economically disadvantaged persons including handicapped persons; amending Minnesota Statutes 1978, Chapter 473, by adding a section.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Olhoft	Sikorski
Bang	Gearty	Knutson	Olson	Sillers
Barrette	Gunderson	Laufenburger	Omann	Solon
Benedict	Hughes	Lessard	Perpich	Spear
Bernhagen	Humphrey	Luther	Peterson	Staples
Brataas	Jensen	McCutcheon	Purfeerst	Stokowski
Chmielewski	Johnson	Menning	Renneke	Strand
Coleman	Keefe, J.	Merriam	Rued	Stumpf
Davies	Keefe, S.	Moe	Schaaf	Ueland, A.
Dieterich	Kirchner	Nelson	Schmitz	Ulland, J.
Dunn	Kleinbaum	Nichols	Setzepfandt	Wegener
Engler	Knaak	Ogdahl	Sieloff	Willet

So the bill passed and its title was agreed to.

S. F. No. 1726: A bill for an act relating to children; providing for review of foster care of certain developmentally disabled children; amending Minnesota Statutes 1978, Section 257.071, Subdivision 3, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Olhoff	Sikorski
Bang	Gearty	Knutson	Olson	Sillers
Barrette	Gunderson	Laufenburger	Omann	Solon
Benedict	Hughes	Lessard	Perpich	Spear
Bernhagen	Humphrey	Luther	Peterson	Staples
Brataas	Jensen	McCutcheon	Purfeerst	Stokowski
Chmielewski	Johnson	Menning	Renneke	Strand
Coleman	Keefe, J.	Merriam	Rued	Stumpf
Davies	Keefe, S.	Moe	Schaaf	Ueland, A.
Dieterich	Kirchner	Nelson	Schmitz	Ulland, J.
Dunn	Kleinbaum	Nichols	Setzepfandt	Wegener
Engler	Knaak	Ogdahl	Sieloff	Willet

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

S. F. Nos. 1734 and 1842, which the committee recommends to pass.

S. F. No. 523, which the committee recommends to pass with the following amendment offered by Mr. Purfeerst:

Page 3, line 20, after "*and*" insert "*if*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1709, which the committee recommends to pass with the following amendment offered by Mr. Nelson:

Page 2, line 22, strike "Notwithstanding the"

Page 2, strike lines 23 to 25

Page 2, line 26, strike everything before "The"

Page 3, line 18, delete "*or*" and insert "*and*"

Page 5, line 7, delete everything after "*may*"

Page 5, line 8, delete the first "*the*" and insert "*request that*"

Page 5, line 8, before the semicolon, insert "*be invested pursuant to section 11.10*"

Page 6, line 32, before "*Pursuant*" insert "[TEMPORARY PROVISION.]"

Page 7, line 1, delete "*2.402 and 2.403*" and insert "*2.401 to 2.440*"

Amend the title as follows:

Page 1, line 4, delete "funds" and insert "money"

Page 1, line 7, after "amend" insert "11"

The motion prevailed. So the amendment was adopted.

S. F. No. 1789, which the committee recommends to pass with the following amendment offered by Mr. Sieloff:

Page 39, after line 15, insert:

“Sec. 26. Minnesota Statutes, 1979 Supplement, Section 291.48, is amended to read:

291.48 [PUBLICITY OF RETURNS; INFORMATION.] It shall be unlawful for the commissioner or any other public official, employee or former 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 chapter 292 or information acquired while examining or auditing any taxpayer's liability for taxes thereunder, except in connection with a proceeding involving taxes due under this chapter or chapter 292 from the taxpayer making the return. The commissioner may furnish a copy of any return or report to any official of the United States or any state having duties to perform in respect to the assessment or collection of any inheritance, estate, or gift tax, if the taxpayer is required by the laws of the United States or of the other 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 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 with respect to any information furnished by any department, commission, or official of the United States or of any other state. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular property, decedents, heirs, or personal representatives, returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

The return of a decedent or donor shall, upon written request, be open to inspection by or disclosure to (a) the administrator, executor, or trustee of his estate, and (b) any heir at law, next of kin, or beneficiary under the will of the decedent, and any other person whose basis in property is determined in whole or part by values set forth in the return, or (c) a donee of the property, but only if the commissioner finds that the heir, next of kin, beneficiary or other person or donee has a material interest which will be affected by information contained therein.

*For purposes of this section the term public official shall not include judges, officials or employees of a court having jurisdiction of probate proceedings.”*

Page 45, line 19, after the headnote, insert “Section 26 is effective the day after final enactment. The remainder of”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after the last semicolon, insert "291.48;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1802, which the committee recommends to pass with the following amendments offered by Messrs. Davies and Luther:

Mr. Davies moved to amend S. F. No. 1802 as follows:

Page 1, line 21, strike "federal reserve board" and insert "*comptroller of the currency*"

Page 1, line 22, strike "Subsection K of"

Page 1, line 23, strike "Section 11 of the Federal Reserve Act" and insert "*12 United States Code 92a*"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S. F. No. 1802 as follows:

Page 2, line 14, after "*chapter*" insert "*solely*"

Page 2, delete lines 27 to 31

Page 3, delete line 10

Reletter the clauses in sequence

The motion prevailed. So the amendment was adopted.

S. F. No. 1054, which the committee recommends to pass with the following amendment offered by Mr. Wegener:

Page 1, line 13, delete "If a weekly,"

Page 1, line 14, delete everything after "year"

Page 1, delete lines 15 and 16

Page 1, line 17, delete "necessary"

The motion prevailed. So the amendment was adopted.

S. F. No. 1605, which the committee recommends to pass with the following amendment offered by Mr. Dieterich:

Page 1, line 18, delete "*want*" and insert "*elect*"

The motion prevailed. So the amendment was adopted.

S. F. No. 407, which the committee recommends to pass with the following amendments offered by Messrs. Peterson and Engler:

Mr. Peterson moved to amend S. F. No. 407, as follows:

Page 2, line 31, after the period insert "*Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the state planning officer.*"

The motion prevailed. So the amendment was adopted.

Mr. Engler moved to amend S. F. No. 407 as follows:

Page 2, line 9, strike "and"

Page 2, line 12, strike the period and insert "; and"

Page 2, after line 12, insert:

*"(8) A summary of any report made during the previous year by the state auditor relative to the commission."*

The motion prevailed. So the amendment was adopted.

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

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

#### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bill was read the first time and referred to the committee indicated.

Mr. Peterson introduced—

S. F. No. 2252: A bill for an act relating to retirement; providing for an increase in employer contributions for teachers retirement funds; amending Minnesota Statutes, 1979 Supplement, Sections 354.42, Subdivision 5; and 354A.12, Subdivision 2.

Referred to the Committee on Governmental Operations.

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, March 6, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SEVENTY-FOURTH DAY**

St. Paul, Minnesota, Thursday, March 6, 1980

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

**CALL OF THE SENATE**

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Frederick	Knaak	Penny	Sikorski
Bang	Gearty	Knutson	Perpich	Sillers
Barrette	Gunderson	Laufenburger	Peterson	Spear
Bernhagen	Hanson	Lessard	Pillsbury	Staples
Brataas	Hughes	Luther	Purfeerst	Stern
Chmielewski	Jensen	McCutcheon	Renneke	Strand
Coleman	Johnson	Menning	Rued	Stumpf
Davies	Keefe, S.	Moe	Schmitz	Ueland, A.
Dunn	Kirchner	Nelson	Setzepfandt	Wegener
Engler	Kleinbaum	Omann	Sieloff	Willet

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rabbi Sylvan Kamens.

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

Anderson	Frederick	Knutson	Omann	Sillers
Ashbach	Gearty	Laufenburger	Penny	Solon
Bang	Gunderson	Lessard	Perpich	Spear
Barrette	Hanson	Luther	Peterson	Staples
Benedict	Hughes	McCutcheon	Pillsbury	Stern
Bernhagen	Jensen	Menning	Purfeerst	Stokowski
Brataas	Johnson	Merriam	Renneke	Strand
Chmielewski	Keefe, J.	Moe	Rued	Stumpf
Coleman	Keefe, S.	Nelson	Schaaf	Tennessee
Davies	Kirchner	Nichols	Schmitz	Ueland, A.
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Knaak	Olhoft	Sieloff	Wegener
Engler	Knoll	Olson	Sikorski	Willet

The President declared a quorum present.

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

**MEMBERS EXCUSED**

Messrs. Humphrey and Vega were excused from the Session of today. Mrs. Stokowski was excused from the Session of today from 10:00 o'clock a.m. to 11:00 o'clock a.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Stumpf introduced—

S. F. No. 2253: A bill for an act relating to state agencies; altering certain procedures of the capitol area architectural and planning board; adding members to the board; appropriating money; amending Minnesota Statutes 1978, Section 15.50, Subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Mr. Sieloff introduced—

S. F. No. 2254: A bill for an act relating to arrest records; providing for the return of arrest records to unconvicted persons; providing for the sealing of arrest records when convictions are set aside; amending Minnesota Statutes 1978, Sections 299C.11; 609.166; 609.167, Subdivision 3; and 609.168.

Referred to the Committee on Judiciary.

Mr. Engler introduced—

S. F. No. 2255: A bill for an act relating to local government; providing for mileage allowances of officers and employees; amending Minnesota Statutes, 1979 Supplement, Section 471.665, Subdivision 1.

Referred to the Committee on Local Government.

Messrs. Peterson, Hanson, Nichols and Strand introduced—

S. F. No. 2256: A bill for an act relating to taxation; motor fuels tax; providing for the payment of tax on ethyl alcohol produced for personal use; amending Minnesota Statutes 1978, Section 296.14, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knoll, Stern and Hanson introduced—

S. F. No. 2257: A bill for an act relating to housing; authorizing certain housing and redevelopment authorities to plan, implement, and finance single family housing rehabilitation loan and grant programs; authorizing the planning, implementation and financing of multifamily moderate rehabilitation loan and grant programs; authorizing the planning, implementation and financing of single family housing mortgage programs in conjunction with

municipal redevelopment and revitalization; authorizing the planning, implementation and financing of the construction of multifamily rental housing; defining terms; amending Minnesota Statutes 1978, Sections 462.421, Subdivision 14, and by adding subdivisions; and 462.445, by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Section 462.445, Subdivision 9.

Referred to the Committee on Energy and Housing.

Mr. Moe introduced—

S. F. No. 2258: A bill for an act relating to the state building code; authorizing municipalities under 5,000 to elect that the code not apply within their jurisdictions.

Referred to the Committee on Energy and Housing.

Mrs. Staples, Messrs. Kirchner and Gunderson introduced—

S. F. No. 2259: A bill for an act relating to judicial commitment; requiring an investigation and report by county welfare prior to filing a commitment petition; amending Minnesota Statutes 1978, Chapter 253A, by adding a section.

Referred to the Committee on Judiciary.

Mrs. Staples introduced—

S. F. No. 2260: A bill for an act relating to commerce; prohibiting certain indemnification clauses in construction contracts.

Referred to the Committee on Commerce.

Mrs. Knaak, Messrs. Sieloff, Knutson and Omann introduced—

S. F. No. 2261: A bill for an act relating to crimes; prohibiting the sale of drug related devices to minors; prohibiting the possession of drug related devices by minors; prescribing penalties.

Referred to the Committee on Judiciary.

Mr. Sikorski introduced—

S. F. No. 2262: A bill for an act relating to insurance; providing direct liability of certain insurers to persons entitled to recovery; permitting a direct action against the insurer; amending Minnesota Statutes 1978, Section 60A.08, by adding a subdivision; and Chapter 540, by adding a section.

Referred to the Committee on Judiciary.

**Mr. Merriam introduced—**

**S. F. No. 2263:** A bill for an act relating to education; requiring a school board to provide certain teachers on extended leaves of absence with certain health care benefits under certain conditions; amending Minnesota Statutes 1978, Section 125.60, by adding a subdivision.

**Referred to the Committee on Education.**

**Mr. Merriam introduced—**

**S. F. No. 2264:** A bill for an act relating to delivery or filing of documents; providing for timely delivery or filing of certain documents with respect to weekends and holidays; amending Minnesota Statutes 1978, Chapter 645, by adding a section.

**Referred to the Committee on Judiciary.**

**Messrs. Benedict, Kirchner and Bang introduced—**

**S. F. No. 2265:** A bill for an act relating to the city of Bloomington; permitting the establishment of a port authority.

**Referred to the Committee on Local Government.**

**Messrs. Stumpf; Ueland, A. and Gunderson introduced—**

**S. F. No. 2266:** 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 department of education approval; allowing additional counties to join a regional public library system pursuant to the joint powers provision; amending Minnesota Statutes 1978, Section 375.335, Subdivision 1.

**Referred to the Committee on Local Government.**

**Mr. Schaaf introduced—**

**S. F. No. 2267:** A bill for an act relating to juveniles; establishing a commission to plan a program for the secure diagnosis and treatment of serious juvenile offenders; appropriating money.

**Referred to the Committee on Governmental Operations. Mr. Davies questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.**

**Messrs. Johnson and Willet introduced—**

**S. F. No. 2268:** A bill for an act relating to taxation; income; providing a deduction for carpool and vanpool commuting costs; amending Minnesota Statutes 1978, Section 290.09, Subdivision 2.

**Referred to the Committee on Taxes and Tax Laws.**

Messrs. Johnson and Willet introduced—

S. F. No. 2269: A bill for an act relating to taxation; income; providing a deduction for commuting costs; amending Minnesota Statutes 1978, Section 290.09, Subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Willet, Laufenburger, Nichols, Kleinbaum and Ueland, A. introduced—

S. F. No. 2270: A bill for an act relating to state universities; appropriating funds for faculty salary increases.

Referred to the Committee on Finance.

Messrs. Ashbach and Schaaf introduced—

S. F. No. 2271: A bill for an act relating to drainage; regulating drainage systems in the metropolitan area.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Tennesen, Mrs. Brataas, Messrs. Bang, Laufenburger and Kleinbaum introduced—

S. F. No. 2272: A bill for an act relating to financial institutions; providing for interest rates on certain installment loans; amending Minnesota Statutes 1978, Section 48.153.

Referred to the Committee on Commerce.

Messrs. Kleinbaum and Lessard introduced—

S. F. No. 2273: A bill for an act proposing an amendment to the Minnesota Constitution, Article XIII, Section 5; permitting a state lottery if authorized by law.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Humphrey introduced—

S. F. No. 2274: A bill for an act relating to open meetings; providing for the award of costs and disbursements; amending Minnesota Statutes 1978, Section 471.705, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Peterson introduced—

S. F. No. 2275: A bill for an act relating to retirement; deferral

of benefits and age and service requirements for certain justices of the supreme court; amending Minnesota Statutes 1978, Section 490.025, Subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Messrs. Nichols, Menning and Renneke introduced—

S. F. No. 2276: A bill for an act relating to education; providing for training teachers and producers in the method of producing agriculturally derived alcohol fuels; appropriating money.

Referred to the Committee on Education.

Mr. Nichols introduced—

S. F. No. 2277: A bill for an act relating to cooperatives; providing for open cooperative meetings; amending Minnesota Statutes 1978, Section 308.09, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Davies introduced—

S. F. No. 2278: A bill for an act relating to children; limiting time during which consents to adoption or placement agreements may be withdrawn or revoked; clarifying effect of certain provisions relating to adoption and placement proceedings; amending Minnesota Statutes, 1979 Supplement, Sections 259.24, Subdivision 6, and 259.25, Subdivision 2.

Referred to the Committee on Judiciary.

Mr. Sikorski introduced—

S. F. No. 2279: A bill for an act relating to public safety; crime victims reparations; authorizing the appointment of an unclassified executive secretary; amending Minnesota Statutes 1978, Section 299B.06, Subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Luther introduced—

S. F. No. 2280: A bill for an act relating to local government; permitting the acquisition and financing of data processing equipment by Local Government Information Systems and its members.

Referred to the Committee on Local Government.

Mr. Hanson introduced—

S. F. No. 2281: A bill for an act relating to taxation; imposing

penalties for failure to file returns for Kittson and Marshall counties' gravel tax; amending Laws 1977, Chapter 112, Section 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson introduced—

S. F. No. 2282: A bill for an act relating to retirement; teachers retirement association; authorizing the retroactive payment of certain omitted retirement annuity amounts to certain persons.

Referred to the Committee on Governmental Operations.

Messrs. Setzepfandt, Wegener, Olhoff and Engler introduced—

S. F. No. 2283: A bill for an act relating to local improvements; providing for certain hearings and appeals on special assessments; amending Minnesota Statutes 1978, Sections 429.061, Subdivisions 1 and 2; and 429.081.

Referred to the Committee on Local Government.

Messrs. Laufenburger, Olson, Bang, Knutson and Kleinbaum introduced—

S. F. No. 2284: A bill for an act relating to financial institutions; requiring all checks and drafts drawn on certain accounts to clearly display the month and year the account was opened.

Referred to the Committee on Commerce.

Mr. Anderson introduced—

S. F. No. 2285: A bill for an act relating to public welfare; eliminating authorization for Minnesota State Children's Center; repealing Minnesota Statutes 1978, Sections 260.41 to 260.46.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Anderson introduced—

S. F. No. 2286: A bill for an act relating to the environment; providing for studies of potential soil and ground water contamination in cases where there is actual or potential danger to drinking water supplies resulting from the disposal of hazardous wastes; authorizing the attorney general to recover the costs of the studies under certain circumstances; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Anderson introduced—

S. F. No. 2287: A bill for an act relating to state lands; providing

for the conveyance to the county of Anoka of a leasehold interest in certain state property.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Moe introduced—

S. F. No. 2288: A bill for an act relating to the city of Fertile; authorizing the issuance of bonds authorized at a special election.

Referred to the Committee on Local Government.

Messrs. Olhoft, Johnson and Hanson introduced—

S. F. No. 2289: A bill for an act relating to taxation; allowing a carryforward of the political contribution income tax credit; amending Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 11.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Anderson, Dunn and Purfeerst introduced—

S. F. No. 2290: A bill for an act relating to education; appropriating money for the purpose of providing facilities for the education of residents of state hospitals; imposing certain conditions on receipt of the money by a school district; authorizing the sale of bonds.

Referred to the Committee on Education.

Messrs. Anderson, Willet and Dunn introduced—

S. F. No. 2291: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and authorizing land acquisition in relation thereto.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Penny introduced—

S. F. No. 2292: A bill for an act relating to regional railroad authorities; providing for their organization and governmental purpose, powers and duties.

Referred to the Committee on Transportation.

Mr. Keefe, J. introduced—

S. F. No. 2293: A bill for an act relating to crimes; authorizing the court to reduce certain public offenses to petty misdemeanors; prescribing penalties.

Referred to the Committee on Judiciary.

Mr. Keefe, J. introduced—

S. F. No. 2294: A bill for an act relating to crimes; providing for admissibility of evidence of alcohol or controlled substance in blood, breath or urine in certain cases; amending Minnesota Statutes 1978, Section 169.121, Subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Laufenburger, Jensen, Ashbach and Johnson introduced—

S. F. No. 2295: A bill for an act relating to insurance; increasing the maximum limits on the insuring or reinsuring of a single risk of certain companies; defining a term; amending Minnesota Statutes 1978, Section 60A.09, Subdivision 1, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Schaaf introduced—

S. F. No. 2296: A bill for an act relating to health; regulating the use of ionizing radiation; directing the commissioner of health to set standards related to the use of x-ray equipment; setting a penalty.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Ulland, J.; Luther and Keefe, J. introduced—

S. F. No. 2297: A bill for an act relating to crimes; prohibiting the setting of certain traps; increasing the penalties for the setting of certain devices; amending Minnesota Statutes 1978, Section 609.665.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Hanson introduced—

S. F. No. 2298: A bill for an act relating to workers' compensation; permitting the commissioner of labor and industry to enter reciprocity agreements with workers' compensation agencies of other states; amending Minnesota Statutes 1978, Section 176.041, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Hanson introduced—

S. F. No. 2299: A bill for an act relating to occupations and professions; allowing the board of cosmetology to waive certain license requirements for manager-operators with licenses from other states; amending Minnesota Statutes 1978, Section 155.14.

Referred to the Committee on Commerce.

Mr. Hanson introduced—

S. F. No. 2300: A bill for an act relating to retirement; police survivor benefits in the city of Thief River Falls.

Referred to the Committee on Governmental Operations.

Messrs. Stern, Knoll, Menning and Wegener introduced—

S. F. No. 2301: A bill for an act relating to the state transportation system; permitting transportation bond proceeds to be used for certain railroad improvements; amending Minnesota Statutes 1978, Section 174.51, Subdivision 1.

Referred to the Committee on Transportation.

Messrs. Stern and Peterson introduced—

S. F. No. 2302: A bill for an act relating to taxation; exempting certain income of elderly persons from taxation; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Spear introduced—

S. F. No. 2303: A bill for an act relating to human rights; prohibiting certain discrimination; amending Minnesota Statutes 1978, Sections 363.01, by adding a subdivision; and 363.03, Subdivisions 1, 2, 5 and 8.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S. F. No. 2304: A bill for an act relating to crimes; modifying procedures for granting parole; amending Minnesota Statutes 1978, Section 243.05.

Referred to the Committee on Judiciary.

Mr. Anderson introduced—

S. F. No. 2305: A bill for an act relating to energy; prohibiting the sale of certain motor vehicles after a certain date unless a certain prescribed condition is met.

Referred to the Committee on Energy and Housing.

Messrs. Rued, Engler, Solon and Omann introduced—

S. F. No. 2306: A bill for an act relating to taxation; sales and use; exempting certain sales made by persons age 60 or over;

amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Setzepfandt introduced—

S. F. No. 2307: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey the interests of the state in certain lands in Kandiyohi county for the purpose of correcting conveyancing errors.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Peterson and Willet introduced—

S. F. No. 2308: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to enter into agreements with the Minnesota Chippewa Tribe and Bands thereof in regard to licenses and fees for hunting, fishing, trapping, and taking of minnows and other bait on Indian reservations by non-Indians; amending Minnesota Statutes 1978, Sections 97.431, Subdivision 4; and 97.432; and Chapter 97, by adding a section.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Strand introduced—

S. F. No. 2309: A bill for an act relating to waters; creating a South Dakota-Minnesota boundary waters commission; assigning duties and powers; amending Minnesota Statutes 1978, Section 114.13, Subdivisions 1, 2, 4, and by adding a subdivision; repealing Minnesota Statutes 1976, Section 114.13, Subdivision 3.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Sieloff, Barrette, Knutson, Mrs. Knaak and Mr. Omann introduced—

S. F. No. 2310: A bill for an act relating to taxation; property tax refund; providing an additional credit for certain homeowners; appropriating money; amending Minnesota Statutes 1978, Section 290A.04, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S. F. No. 2311: A bill for an act relating to the cities of Coon Rapids in Anoka County and Vadnais Heights in Ramsey County;

financing housing programs; amending Laws 1979, Chapter 306, Section 14, Subdivision 3.

Referred to the Committee on Energy and Housing.

Mrs. Staples and Mr. McCutcheon introduced—

S. F. No. 2312: A resolution memorializing the President and Congress to adopt federal legislation concerning the destruction of certain energy facilities.

Referred to the Committee on Energy and Housing.

Mrs. Brataas and Mr. Ogdahl introduced—

S. F. No. 2313: A bill for an act relating to the city of Rochester; granting investment jurisdiction over funds of the Rochester fire department relief association to the governing board of the association; repealing Laws 1959, Chapter 131, Section 25, as amended.

Referred to the Committee on Governmental Operations.

Mr. Ashbach introduced—

S. F. No. 2314: A bill for an act relating to taxation; providing that the calculation of the special levy allowed for a decrease in certain operating revenues shall include an inflation adjustment; amending Minnesota Statutes, 1979 Supplement, Section 275.50, Subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kleinbaum introduced—

S. F. No. 2315: A bill for an act relating to financial institutions; providing for investment in certain loans by savings associations; defining terms; amending Minnesota Statutes 1978, Sections 51A.02, Subdivisions 4, 8, and 17; and 51A.37, Subdivision 3.

Referred to the Committee on Commerce.

Mr. Johnson introduced—

S. F. 2316: A bill for an act relating to retirement; authorizing an increase in retirement and survivor benefits payable by the Eveleth police and firefighters relief associations.

Referred to the Committee on Governmental Operations.

Messrs. Dieterich, Hanson, Sikorski and Bernhagen introduced—

S. F. No. 2317: 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; reenacting a law; amending Minnesota Statutes 1978, Sections 15.052, Subdivision 9; 16.851, Subdivision 1; 16A.26; 25.31; 25.32; 25.33, Subdivisions 1 and 5; 25.34, Subdivision 3; 25.36; 25.40; 25.41, Subdivisions 1 and 5; 25.42; 25.43; 25.44; 28A.15, Subdivision 4; 89.35; 89.36, Subdivision 1; 89.39; 93.45, Subdivision 2; 111.21, Subdivision 1; 112.46; 116.02, Subdivision 2; 116.16, Subdivision 2; 116C.65; 116H.06; 120.17, Subdivision 9; 122.531, Subdivision 2; 123.42; 124.212, Subdivision 8a; 124.46, Subdivision 3; 125.12, Subdivision 4; 126.41, Subdivision 2; 128A.04; 136.148; 136.501; 136.503, Subdivision 1; 136.506; 144.225, Subdivision 1; 144A.01, Subdivision 5; 144A.10, Subdivision 1; 144A.24; 145.22; 147.073, Subdivision 1; 161.171, Subdivision 5; 161.173; 162.02, Subdivision 11; 168B.02, Subdivisions 1 and 2; 168B.05; 168B.07, Subdivision 2; 168B.08, Subdivision 3; 169.751; 169.99, Subdivision 3; 179.61; 179.62, 179.63, Subdivisions 1 and 4; 179.65, Subdivision 1; 179.66, Subdivisions 5, 6 and 9; 179.67, Subdivision 1; 179.68; 179.71, Subdivisions 2, 4 and 5; 179.74, Subdivision 2; 181.12; 197.17; 202A.61; 238.01; 238.02, Subdivisions 1 and 4; 238.03; 238.04, Subdivision 9; 238.06, Subdivision 2; 238.08, Subdivision 4; 238.10; 238.16, Subdivision 2; 241.08, Subdivision 2; 241.44, Subdivision 1a; 242.37; 243.07; 243.12; 245.813, Subdivision 9; 256.09; 256.736, Subdivision 3; 256.76, Subdivision 2; 256.78; 256D.10; 256D.13; 260.251, Subdivision 3; 268.013, Subdivision 6; 296.01, Subdivision 1; 296.11; 296.15, Subdivision 2; 296.17, Subdivisions 1 and 5; 296.19; 296.20; 296.24; 301.511, Subdivision 2; 325.01, Subdivision 1; 325.907, Subdivision 1; 326.33, Subdivision 1; 333.055, Subdivision 2; 340.07, Subdivision 11; 340.11, Subdivision 9; 340.12; 340.14, Subdivision 5; 352.116; 352.1191; 352E.01, Subdivision 1; 352E.04; 352E.045; 354.44, Subdivision 5; 359.07, Subdivision 2; 360.018, Subdivisions 7 and 9; 363.02, Subdivision 3; 365.22; 367.33, Subdivision 3; 387.45; 390.23; 394.24, Subdivision 3; 394.25, Subdivision 5a; 401.02, Subdivision 1; 412.251; 419.07; 419.075, Subdivision 2; 422A.06, Subdivision 2; 422A.11, Subdivision 1; 429.061, Subdivision 1; 435.191; 440.40; 459.14, Subdivision 7; 462.352, Subdivision 10; 462.36, Subdivision 1; 465.56, Subdivision 2; 471.591, Subdivision 1; 473.163, Subdivision 3; 473.223; 473F.02, Subdivision 21; 474.02, Subdivision 1b; 485.018, Subdivision 4; 485.021; 505.178, Subdivision 2; 525.72; 546.10; 626.556, Subdivision 11; 628.41, Subdivision 6; Chapter 390, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 10A.01, Subdivision 11; 62A.02, Subdivision 3; 69.771, Subdivision 1; 179.74, Subdivision 4; 256B.06, Subdivision 1; 273.73, Subdivision 6; 273.76, Subdivision 2; 273.77; 273.86, Subdivision 4; 275.125, Subdivision 9; 290.06, Subdivisions 3g and 14; 326.211, Subdivision 9; 354A.094, Subdivisions 2, 3, 8, and by adding a subdivision; 354A.38, Subdivision 3; 402.01, Subdivision 1; 424A.06, Subdivision 2; 462A.22, Subdivision 1a; 519.11, Subdivision 1; 549.09, Subdivision 1; Laws 1979, Chapters 134, Section 2; 333, Sections 26, and 31, Subdivision 3; 335, Section 3, Subdivision 20; and reenacting Laws 1979, Chapter 303, Article I,

Section 14; repealing Minnesota Statutes 1978, Sections 239.27; 325.01, Subdivisions 8, 9, 10, 11 and 12; 354A.22, as amended by Laws 1979, Chapter 334, Article VII, Sections 23 to 26; 390.33, Subdivision 7; Laws 1976, Chapters 155, Section 1; 222, Sections 30 and 31; 348, Section 15; Laws 1977, Chapter 323, Section 1; Laws 1979, Chapters 31, Section 2; 217, Section 11; and 316, Section 11.

Referred to the Committee on Judiciary.

Mr. Laufenburger introduced—

S. F. No. 2318: A bill for an act relating to counties; removing a limit on certain park maintenance expenses; amending Minnesota Statutes 1978, Section 375.26.

Referred to the Committee on Local Government.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

February 28, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 1257, 1042 and 1248.

Sincerely yours,  
Albert H. Quie, Governor

March 3, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
1042		347	March 3	March 3
1248		348	March 3	March 3
1257		349	March 3	March 3

Sincerely,  
Joan Anderson Growe,  
Secretary of State

**MESSAGES FROM THE HOUSE****Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 54.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 3, 1980

**Mr. President:**

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

S. F. No. 693: A bill for an act relating to insurance; excepting certain policies from readability requirements; limiting the applicability of readability requirement with respect to certain forms of insurance policies; permitting delays in compliance for certain forms of insurance policies; amending Minnesota Statutes 1978, Sections 72C.03; 72C.09; and 72C.11, Subdivision 1.

Senate File No. 693 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 3, 1980

**CONCURRENCE AND REPASSAGE**

Mr. Sikorski moved that the Senate concur in the amendments by the House to S. F. No. 693 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 693 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Spear
Ashbach	Gearty	Laufenburger	Perpich	Staples
Bang	Gunderson	Lessard	Peterson	Stern
Barrette	Hanson	Luther	Pillsbury	Strand
Benedict	Hughes	McCutcheon	Purfeerst	Stumpf
Bernhagen	Jensen	Menning	Renneke	Ueland, A.
Brataas	Johnson	Merriam	Rued	Ulland, J.
Chmielewski	Keefe, J.	Moe	Schaaf	Wegener
Coleman	Keefe, S.	Nelson	Schmitz	Willet
Davies	Kirchner	Nichols	Setzepfandt	
Dieterich	Kleinbaum	Olhoff	Sieloff	
Dunn	Knaak	Olson	Sikorski	
Engler	Knoll	Omann	Solon	

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

**MESSAGES FROM THE HOUSE—CONTINUED**

Mr. President:

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

S. F. No. 951: A bill for an act relating to small businesses; establishing a uniform definition of small business; amending Minnesota Statutes 1978, Section 161.321, Subdivisions 1 and 3; and Chapter 645, by adding a section; repealing Minnesota Statutes 1978, Section 16.082, Subdivisions 2, 3, 4 and 5.

Senate File No. 951 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 3, 1980

**CONCURRENCE AND REPASSAGE**

Mr. Peterson moved that the Senate concur in the amendments by the House to S. F. No. 951 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 951: A bill for an act relating to small businesses; establishing a uniform definition of small business; amending Minnesota Statutes 1978, Sections 16.085; 161.321, Subdivision 3; and Chapter 645, by adding a section; Minnesota Statutes, 1979 Supplement, Section 161.321, Subdivision 1; repealing Minnesota Statutes 1978, Section 16.082, Subdivisions 2, 3, 4 and 5.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olhoft	Setzepfandt
Ashbach	Frederick	Knoll	Olson	Sieloff
Bang	Gearty	Knutson	Omann	Sikorski
Barrette	Gunderson	Laufenburger	Penny	Solon
Benedict	Hanson	Lessard	Perpich	Spear
Bernhagen	Hughes	Luther	Peterson	Staples
Brataas	Jensen	McCutcheon	Pillsbury	Stern
Chmielewski	Johnson	Manning	Purfeerst	Strand
Coleman	Keefe, J.	Merriam	Renneke	Ueland, A.
Davies	Keefe, S.	Moe	Rued	Ulland, J.
Dieterich	Kirchner	Nelson	Schaaf	Wegener
Dunn	Kleinbaum	Nichols	Schmitz	Willet

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

**MESSAGES FROM THE HOUSE—CONTINUED**

Mr. President:

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

S. F. No. 998: A bill for an act relating to insurance; providing for cancellation of life insurance contracts providing benefits on a variable basis; amending Minnesota Statutes 1978, Sections 72A.51, Subdivision 3; and 72A.52.

Senate File No. 998 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 3, 1980

**CONCURRENCE AND REPASSAGE**

Mr. Davies moved that the Senate concur in the amendments by the House to S. F. No. 998 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 998 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Sikorski
Ashbach	Gearty	Knutson	Penny	Sillers
Bang	Gunderson	Laufenburger	Perpich	Solon
Barrette	Lanson	Lessard	Peterson	Spear
Benedict	Hughes	Luther	Pillsbury	Staples
Bernhagen	Jensen	Menning	Purfeerst	Stern
Brataas	Johnson	Merriam	Renneke	Strand
Chmielewski	Keefe, J.	Moe	Rued	Stumpf
Davies	Keefe, S.	Nelson	Schaaf	Ueland, A.
Dieterich	Kirchner	Nichols	Schmitz	Ulland, J.
Dunn	Kleinbaum	Olhoft	Setzepfandt	Wegener
Engler	Knaak	Olson	Sieloff	Willet

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

**MESSAGES FROM THE HOUSE—CONTINUED**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1427, 1601, 1800, 1207, 1302, 1910 and 2012.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 3, 1980

**FIRST READING OF HOUSE BILLS**

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

H. F. No. 1427: A bill for an act relating to banks; raising the amount of an employee loan possible without prior board approval; amending Minnesota Statutes 1978, Section 48.08.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1536 now in the Subcommittee on Bill Scheduling.

H. F. No. 1601: A bill for an act relating to political parties; allowing party officers and delegates and alternate delegates to party conventions to take certain leave time from employment; providing penalties; amending Minnesota Statutes 1978, Chapter 202A, by adding a section.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1579 now in the Subcommittee on Bill Scheduling.

H. F. No. 1800: A bill for an act relating to health care; regulating benefits made available under certain health care plans; requiring coverage for reconstructive surgery under certain conditions; amending Minnesota Statutes 1978, Section 62E.06, Subdivision 1, as amended, and Chapter 62A, by adding a section.

Referred to the Committee on Commerce.

H. F. No. 1207: A bill for an act relating to motor vehicles; excluding owners of certain trailers from the requirement to furnish evidence of security; amending Minnesota Statutes 1978, Section 65B.68, Subdivision 2.

Referred to the Committee on Commerce.

H. F. No. 1302: A bill for an act relating to financial institutions; permitting banks and trust companies to take junior liens under certain circumstances; amending Minnesota Statutes 1978, Section 48.19, Subdivision 1.

Referred to the Committee on Commerce.

H. F. No. 1910: A bill for an act relating to courts; second and fourth judicial districts; authorizing juvenile court referees to hear contested trials, hearings, or motions unless objection is made; amending Minnesota Statutes 1978, Section 484.70, by adding a subdivision.

Referred to the Committee on Judiciary.

H. F. No. 2012: A bill for an act relating to motor vehicles; authorizing personalized license plates bearing radio or television station call signals or letters; amending Minnesota Statutes 1978, Section 168.12, Subdivision 2a.

Referred to the Committee on General Legislation and Administrative Rules.

**REPORTS OF COMMITTEES**

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1895: A bill for an act relating to communications; establishing a program of special grants to noncommercial radio stations; appropriating money.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1978, Chapter 139 is amended by adding a section to read:

[139.191] [NONCOMMERCIAL RADIO STATIONS.] *Subdivision 1. [TRANSMISSION AND BROADCAST EQUIPMENT GRANTS.] A special grants program is established for noncommercial radio stations. The program is administered by the board of arts which shall award the grants as provided by subdivisions 2 to 5.*

*Subd. 2. [ELIGIBILITY FOR GRANTS.] Any noncommercial radio station which has received a grant under the provisions of Minnesota Statutes, Section 139.19, is eligible for a special grant. “Noncommercial radio station” means the same as defined by Minnesota Statutes, Section 139.19, Subdivision 2, Clause (c).*

*Subd. 3. [USES OF GRANTS.] Grants shall be awarded for the following purposes:*

*(a) to purchase equipment to increase the power of the station’s transmitting signal;*

*(b) to make other transmission or tower improvements;*

*(c) to provide local studio equipment and/or remote broadcasting equipment.*

*Grants may only be awarded for a purpose specified in this subdivision. The priority with which grants are awarded to any station descends in the order the purposes are listed in clauses (a) to (c).*

*Subd. 4. [APPLICATIONS FOR GRANTS.] Any station eligible for a grant under subdivision 2 may submit an application for a special grant for use for the purposes provided in subdivision 3. An application may be submitted for more than one of the purposes listed in subdivision 3. All applications shall indicate the specific purpose or purposes within subdivision 3 for which application is made.*

*Subd. 5. [LIMITATIONS ON GRANTS.] No grant shall exceed \$20,000.*

*Sec. 2. The sum of \$220,000 is appropriated from the general fund to the board of arts for the purposes of special grants as provided by section 1. Of this amount not to exceed \$..... is for administration of the program of special grants. These funds are available to June 30, 1981.*

*Sec. 3. Sections 1 and 2 are repealed effective July 1, 1981.*

*Sec. 4. Sections 1 and 2 are effective the day after final enactment."*

Amend the title as follows:

Page 1, line 4, before the period insert "; amending Minnesota Statutes 1978, Chapter 139, by adding a section"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1837: A bill for an act relating to elections; providing for towns to set their own hours for town elections; requiring polls to be open at least three hours; amending Minnesota Statutes 1978, Section 205.03, Subdivision 3.

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 2096: A bill for an act proposing an amendment to the Minnesota Constitution, Article VIII, by adding a section; providing for recall of elected state executive and judicial officers and state senators by the voters.

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1279: A bill for an act relating to taxation; income; granting a tax credit to certain business firms who contribute to neighborhood organizations or who engage in activities to alleviate poverty in certain areas; prescribing certain duties and responsibilities of the department of revenue and department of economic security, office of economic opportunity.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE INTENT.] It is the intent of sections 1 to 6 to encourage contributions by business firms to

neighborhood organizations which are engaged in community activities with the participation and for the benefit of economically disadvantaged persons in order to stimulate and realize the capabilities of those persons for self advancement and to assure the wide utilization of programs intended for their benefit.

**Sec. 2. [DEFINITIONS.]** Subdivision 1. For the purpose of sections 1 to 6 the following terms shall have the meanings given in this section.

Subd. 2. "Neighborhood organization" means any organization which is primarily engaged in community activities designed to benefit economically disadvantaged persons, which provides for meaningful participation by economically disadvantaged persons in its decision making process, and which is exempt from income taxation under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1978. Neighborhood organization includes community action agencies, Indian reservation business councils, and other public and private non-profit organizations.

Subd. 3. "Community activities" means counseling, advice and advocacy programs; emergency assistance; medical care; economic development; job training, education, and employment; energy related activities; crime prevention and diversion; programs for handicapped, youth and elderly; and services designed to minimize the effects of poverty for economically disadvantaged persons.

Subd. 4. "Economically disadvantaged persons" means individuals whose incomes are below the poverty level set by the federal office of management and budget or other individuals or groups as defined by rules of the department.

Subd. 5. "Department" means the department of economic security.

Subd. 6. "Commissioner" means the commissioner of the department of economic security.

Subd. 7. "Business firm" means any corporation, partnership, sole proprietorship, or other business organization whose income is taxed under Minnesota Statutes, Chapter 290.

**Sec. 3. [TAX CREDIT.]** Any business firm which contributes goods, services, money or anything of value to a neighborhood organization for a program of community activities approved by the commissioner is eligible to receive a tax credit as provided in this section and section 4. The neighborhood organization shall submit a proposal to the commissioner describing the program to be provided, the community or neighborhood selected, the manner in which disadvantaged persons will participate in the decision making procedures of the neighborhood organization, and the estimated value of the contribution to the program. Program approval is effective for one taxable year only. If the commissioner approves a program he shall determine the amount of the contribution for which any business firm is eligible to receive a tax credit and shall certify that amount along with his approval to the commissioner of revenue.

Sec. 4. [AMOUNT OF CREDIT.] The commissioner of revenue shall allow a credit against the taxes imposed under chapter 290 in an amount which shall not exceed 25 percent of the total amount contributed during the taxable year by a business firm for a program approved pursuant to section 3. The amount of the contribution for which a business firm is eligible to receive a tax credit shall be certified to the commissioner of revenue by the commissioner of economic security. The maximum credit for contributions made in any taxable year shall not exceed \$100,000. If the amount of the tax credit exceeds the taxpayer's liability for taxes under chapter 290 in the taxable year in which the contribution was made, the excess may be carried forward for the five taxable years following the year in which the contribution was made. This section is effective for taxable year 1980 and for subsequent taxable years.

Sec. 5. [RULE MAKING.] The commissioner of economic security may adopt rules necessary for the administration of the neighborhood assistance tax credit program including criteria for approving or disapproving programs for which tax credits are available and for determining the amount of contributions to a program for which a business firm is eligible for a tax credit. Prior to the adoption of permanent rules the commissioner may exercise temporary rule making authority as provided in section 15.0412, subdivision 5, to implement the program. The commissioner shall solicit information and opinions from outside the department as provided in section 15.0412, subdivision 6, before adopting temporary or permanent rules. Notwithstanding the provisions of section 15.0412, subdivision 5, temporary rules adopted pursuant to this section shall be effective until permanent rules are adopted or until January 1, 1981, whichever occurs first.

Sec. 6. [DISALLOWANCE.] A taxpayer shall not receive the credit provided in section 290.21, subdivision 3, for those contributions for which he has received a tax credit pursuant to section 4.

Sec. 7. Sections 1 to 6 may be cited as the "Neighborhood Assistance Tax Credit Act of 1979."

Sec. 8. [APPROPRIATION.] The sum of \$50,000 is appropriated from the general fund to the department of economic security for implementation and administration of sections 1 to 7. This appropriation is available until June 30, 1981.

Sec. 9. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete "or who engage in"

Page 1, delete line 5 and insert "primarily engaged in community activities designed to benefit economically disadvantaged persons;"

Page 1, line 8, delete ", office of economic opportunity" and insert "; appropriating money"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2040: A bill for an act relating to the city of Campbell; authorizing issuance of general obligation bonds to finance construction of a community hall.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2102: A bill for an act relating to the city of Melrose; authorizing the issuance of general obligation bonds for a fire hall and community center.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2131: A bill for an act relating to local government; permitting local governmental bodies to set mileage allowances for officers and employees; amending Minnesota Statutes 1978, Section 471.665, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Section 471.665, Subdivision 1.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1581: A bill for an act relating to welfare; defining general assistance medical care; authorizing higher medical care payments for certain handicapped persons; establishing medical care assistance eligibility for persons with seasonal income; making various other changes in the general assistance program; amending Minnesota Statutes 1978, Sections 256D.01; 256D.02. Subdivisions 4, 10, 11, 12, and by adding a subdivision: 256D.03; 256D.04; 256D.05, Subdivision 1; 256D.06, Subdivision 1; 256D.07; 256D.08; 256D.09, Subdivision 1; 256D.11, Subdivisions 2, 3, 4, 5, 6, 7, 8 and 9; 256D.13, Subdivision 1; 256D.16; 256D.18. Subdivisions 2 and 4; repealing Minnesota Statutes 1978, Sections 256D.19; 256D.20; and 256D.21.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 256D.01, is amended to read:

**256D.01 [DECLARATION OF POLICY; CITATION.]** Subdivision 1. The objectives of **Laws 1973, Chapter 650, Article 21, Sections 1 to 30 sections 256D.01 to 256D.18** are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; to provide property tax relief, and to provide an integrated public assistance program for all persons in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health. *A principal objective in providing general assistance and services shall be to aid those persons who can be helped to become self-supporting or to attain self-care. The strengthening and preservation of the family unit shall also be a principal consideration in the administration of all general assistance policies.*

It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law, and who meet the eligibility requirements of **Laws 1973, Chapter 650, Article 21 sections 256D.01 to 256D.18** and do not refuse suitable employment; shall be entitled to receive such grants of general assistance and such services as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.

*A principal objective in providing general assistance and services shall be to aid those persons who can be helped to become self-supporting or to attain self-care. To achieve this aim, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard for cash payments to recipients shall be: as to shelter and utilities, 100 percent of the actual need or state standards therefor, subject to the maximum established for shelter in the aid to the blind, aid to the disabled, and old age assistance programs in December 1973; and as to other budgetary items, 50 percent, of those established for said items in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973. In order to maximize the use of federal funds, the commissioner shall promulgate regulations, to the extent permitted by federal law for eligibility for the emergency assistance program, under the terms of **Laws 1973, Chapter 650, Article 21** for general assistance. The commissioner shall provide by regulation for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. The strengthening and preservation of the family unit shall be a principal consideration in the administration of **Laws 1973, Chapter 650, Article 21** and all general assistance policies shall be formulated and administered so as to further this objective.*

Subd. 2. **Laws 1973, Chapter 650, Article 21, Sections 1 to 30**

256D.01 to 256D.18 may be cited as the general assistance article act.

Sec. 2. Minnesota Statutes 1978, Section 256D.02, Subdivision 4, is amended to read:

Subd. 4. "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items. General assistance shall not include payments for foster care, child welfare services, medical, dental, hospitalization, nursing care, drugs, or medical supplies. It is the intent of Laws 1973, Chapter 650, Article 21 that these items be provided by local agencies in accordance with programs in effect at the time of the passage of Laws 1973, Chapter 650, Article 21 or other social services. Vendor payments may be made only as provided for in sections 256D.09 and 256D.11.

Sec. 3. Minnesota Statutes 1978, Section 256D.02, is amended by adding a subdivision to read:

*Subd. 4a. "General assistance medical care" means payment of all or part of the cost of medical care and services approved by the commissioner pursuant to section 256D.03, subdivision 3, for individuals whose income and resources are insufficient to meet the cost of care.*

Sec. 4. Minnesota Statutes 1978, Section 256D.02, Subdivision 9, is amended to read:

Subd. 9. "Earned income" means remuneration for services performed as an employee, and net earnings from self-employment reduced by the amount attributable to employment expenses.

Sec. 5. Minnesota Statutes 1978, Section 256D.02, Subdivision 10, is amended to read:

Subd. 10. "Unearned income" means all other income including any payments received as an annuity, retirement or disability benefit, including veteran's or workers' compensation; old age, survivors and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or family other assistance program; rents, dividends, interest and royalties; and support and maintenance payments except that such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is under a legal duty to support another family member.

Sec. 6. Minnesota Statutes 1978, Section 256D.02, Subdivision 11, is amended to read:

Subd. 11. "State aid" means state aid to local agencies for general assistance *and general assistance medical care* expenditures as provided for in ~~Laws 1973, Chapter 650, Article 21 sections 256D.03, subdivisions 2 and 3.~~

Sec. 7. Minnesota Statutes 1978, Section 256D.02, Subdivision 12, is amended to read:

Subd. 12. "Local agency" means the *agency designated by the county board of commissioners, human services boards, county welfare boards* in the several counties of the state ~~except that it may also include any or multicounty welfare boards or departments where those have been established in accordance with law.~~

Sec. 8. Minnesota Statutes 1978, Section 256D.03, Subdivision 1, is amended to read:

256D.03 [RESPONSIBILITY TO PROVIDE GENERAL ASSISTANCE.] Subdivision 1. Every local agency shall provide general assistance to persons residing within its jurisdiction who meet the need requirements of ~~Laws 1973, Chapter 650, Article 21 sections 256D.01 to 256D.18.~~ General assistance shall be administered by the *local agencies* according to law and rules ~~and regulations promulgated by the commissioner pursuant to the provisions of Laws 1973, Chapter 650, Article 21 sections 15.041 to 15.052.~~

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 256D.03, Subdivision 2, is amended to read:

Subd. 2. After December 31, 1979, and before January 1, 1981, state aid shall be paid to local agencies for 60 percent and, after December 31, 1980, for 70 percent of all general assistance grants up to the standards of section ~~256D.01~~ 256D.05, subdivision 1, *and* according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance at a standard higher than that established by the commissioner, ~~without reference to the standards of section 256D.01, subdivision 1.~~

Sec. 10. Minnesota Statutes 1978, Section 256D.03, Subdivision 3, is amended to read:

Subd. 3. State aid shall be paid to local agencies or counties for 90 percent of the cost of general ~~relief assistance~~ *medical care* paid by the local agency or county pursuant to section ~~256D.02, subdivision 4~~ 3 on behalf of persons eligible according to standards established by the commissioner of *public welfare* in accordance with the rates established by rule of the commissioner. Persons eligible for benefits under sections 256D.01 to 256D.19 shall *be eligible for general assistance medical care and have free choice in the selection of a vendor of the medical care.* Any local agency or county may, from its own resources, make payments for medical care for persons not otherwise eligible for the care pursuant to standards established by the commissioner.

The commissioner of public welfare shall promulgate rules to establish administrative and fiscal procedures for payment of the

state share of the medical costs incurred by the counties under section 256D.02, subdivision 4 3. The rules may include:

(a) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4 3 may be deducted from county liability to the state under any other public assistance program authorized by law;

(b) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4 3;

(c) procedures by which the local agencies may contract with the commissioner of public welfare for state administration of general relief *assistance medical care* payments; and

(d) standards of eligibility and, utilization of services and payment levels which shall conform to those of medical assistance pursuant to chapter 256B.

Sec. 11. Minnesota Statutes 1978, Section 256D.04, is amended to read:

256D.04 [DUTIES OF THE COMMISSIONER.] In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise the administration of general assistance and general assistance medical care by local agencies as provided in Laws 1973, Chapter 650, Article 21 sections 256D.01 to 256D.18;

(2) Promulgate uniform rules and regulations consistent with law for carrying out and enforcing the provisions of Laws 1973, Chapter 650, Article 21 sections 256D.01 to 256D.18 to the end that general assistance may be administered as uniformly as possible throughout the state; rules and regulations shall be furnished immediately to all local agencies and other interested persons; in promulgating rules and regulations, the provisions of chapter 15 sections 15.041 to 15.052, shall apply;

(3) Allocate moneys appropriated for general assistance and general assistance medical care to local agencies as provided in Laws 1973, Chapter 650, Article 21 section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under Laws 1973, Chapter 650, Article 21 sections 256D.01 to 256D.18;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public;

(8) Report at least annually to the governor and legislature the cost of living in the various counties and metropolitan areas as related to the standards of assistance and the amounts expended for assistance, and make this information available to the public; and

(9) Issue emergency rules necessary to implement the work equity program and promulgate all rules pursuant to chapter 15 necessary to carry out the program so that its demonstrational project may be administered uniformly throughout participating counties. Rules shall be furnished immediately to all local agencies and other interested persons.

Sec. 12. Minnesota Statutes 1978, Section 256D.05, Subdivision 1, is amended to read:

256D.05 [ELIGIBILITY FOR GENERAL ASSISTANCE.] Subdivision 1. [STANDARDS.] *The commissioner shall establish minimum standards of assistance for general assistance, and those minimum standards of assistance shall not be lower for an individual sharing a place of residence with another person unless that person is a responsible relative who is also eligible for general assistance. The minimum standards of assistance shall determine the total amount of the general assistance grant without separate standards for shelter, utilities or basic needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on July 1, 1980. The minimum standards may require higher payments for persons who are not able to accept suitable employment due to advanced age, a physical or mental impairment expected to continue for one or more months, or other determinable cause defined in rules promulgated by the commissioner. The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. In order to maximize the use of federal funds, the commissioner shall promulgate rules, to the extent permitted by federal law for eligibility for the emergency assistance program, under the terms of sections 256D.01 to 256D.18 for general assistance. The commissioner shall provide by rule for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance; provided that no individual shall be eligible for general assistance if he is eligible for any of the following federally aided assistance programs: emergency assistance, aid to families with dependent children, or any successor to the above.*

Sec. 13. Minnesota Statutes 1978, Section 256D.06, Subdivision 1, is amended to read:

**256D.06 [AMOUNT OF ASSISTANCE.]** Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual or family, the total amount equals the applicable standard of assistance established by the commissioner for general assistance. *In determining eligibility for and the amount of assistance the local agency shall disregard the first \$50 of earned income per month.*

Sec. 14. Minnesota Statutes 1978, Section 256D.06, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance may ~~shall~~ be made to an eligible individual or family ~~for one or more items encompassed within the definition of general assistance for an emergency need, as defined in rules promulgated by the commissioner, where the applicant or recipient requests temporary assistance not exceeding 30 days and if an emergency situation appears to exist if and the individual is ineligible for the federally aided program of emergency assistance. If an applicant or recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the applicant or recipient of the procedure for applying for assistance pursuant to this subdivision.~~

Sec. 15. Minnesota Statutes 1978, Section 256D.06, is amended by adding a subdivision to read:

Subd. 3. *When a general assistance grant is used to pay a negotiated rate for a recipient living in a room and board or congregate care arrangement, the allowance for clothing and personal needs shall not be less than that authorized for a medical assistance recipient pursuant to section 256B.35.*

Sec. 16. Minnesota Statutes, 1979 Supplement, Section 256D.07, is amended to read:

**256D.07 [TIME OF PAYMENT OF ASSISTANCE.]** *Subdivision 1.* An applicant for general assistance or *general assistance* medical care authorized by section 256D.03, subdivision 3 shall be deemed presumptively eligible if his application on its face demonstrates that he is within the eligibility criteria established by ~~Laws 1973, Chapter 650, Article 24 sections 256D.05 and 256D.06~~ and any applicable rules and regulations of the commissioner. The application shall be in writing in the manner and upon the form prescribed by the commissioner and verified by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point." General assistance shall be immediately granted to such presumptively eligible applicant without the necessity of first securing action by the board of the local agency.

If upon verification and due investigation it appears that the

applicant provided false information and the false information materially affected his eligibility for general assistance or *general assistance* medical care provided pursuant to section 256D.03, subdivision 3 or the amount of his general assistance grant, the local agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

*Subd. 2. General assistance payments shall not be reduced on the basis of the availability of nonexempt earned income during the first month in which nonexempt earned income is available to a recipient.*

Sec. 17. Minnesota Statutes, 1979 Supplement, Section 256D.08, Subdivision 1, is amended to read:

256D.08 [EXCLUSION FROM RESOURCES.] Subdivision 1. In determining eligibility of a family or individual there shall be excluded the following resources:

(1) *Real or personal property which does not exceed that permitted or liquid assets which do not exceed those permitted under the federally aided assistance program known as aid to families with dependent children; provided, however, that the commissioner may provide by rule and regulation more restrictive eligibility standards and levels of payment for general assistance if it is determined that funds available are not adequate to meet projected need; and*

(2) *Other property, including real or personal property used as a home, which has been determined, in accordance with and subject to limitations contained in rules and regulations promulgated by the commissioner, to be essential to the family or individual as a means of self-support or self-care or which is producing income that is being used for the support of the individual or family. The commissioner shall further provide by rule and regulation for those situations in which property not excluded under this subdivision may be retained by the family or individual where there is a reasonable probability that in the foreseeable future the property will be used for the self-support of the individual or family; and*

(3) *Payments, made pursuant to litigation and subsequent appropriation by the United States Congress, of funds to compensate members of Indian tribes for the taking of tribal land by the federal government.*

Sec. 18. Minnesota Statutes 1978, Section 256D.08, Subdivision 2, is amended to read:

*Subd. 2. Notwithstanding any other provision of Laws 1973, Chapter 650, Article 21 sections 256D.01 to 256D.18, the commissioner shall provide by rule and regulation for the exclusion of property from the determination of eligibility for general assistance when it appears likely that the need for general assistance will not exceed 30 days and or an undue hardship would be im-*

posed on an individual or family by the forced disposal of *such the* property.

Sec. 19. Minnesota Statutes 1978, Section 256D.09, Subdivision 1, is amended to read:

**256D.09 [FORM OF PAYMENT; VENDOR PAYMENTS.]** Subdivision 1. All grants of general assistance shall be paid in cash and with such frequency as the commissioner shall determine. ~~The commissioner may provide by rule and regulation for the making of general assistance payments in different time periods for various reasonable classifications of recipients, subsequent to the initial grant, shall be paid once per month on the first day of the month.~~

Sec. 20. Minnesota Statutes 1978, Section 256D.10, is amended to read:

**256D.10 [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.]** No grant of general assistance except one made pursuant to sections 256D.06, subdivision 2 or 256D.08, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the local agency.

Nothing herein shall deprive a recipient of his right to full administrative and judicial review of an order or determination of a local agency as provided for in section ~~256D.12~~ 256.045 subsequent to any action taken by a local agency after a prior hearing.

Sec. 21. Minnesota Statutes 1978, Section 256D.11, Subdivision 2, is amended to read:

Subd. 2. The local agency shall provide a ~~general assistance opportunities~~ *general assistance opportunities* for work ~~program, training and vocational counseling services~~ for persons who qualify for assistance but who are unable to gain *suitable* employment through the state employment service ~~of the commissioner or through their own initiative~~. Local agencies shall adopt a list of work priorities to be met through the employment of eligible recipients when such recipients are *determined, in accordance with rules promulgated by the commissioner, to be unable to gain suitable* employment through the state employment service or through their own initiative. *Upon a determination that a recipient is unable to gain suitable employment through the state employment service or through his own initiative, the local agency may assign the recipient such work or training program as he is able to perform but which is not that ordinarily performed and which would supplement but not replace projects which are ordinarily performed by regular employees of the county.*

Sec. 22. Minnesota Statutes 1978, Section 256D.11, Subdivision 3, is amended to read:

Subd. 3. General assistance ~~work program~~ recipients *assigned to a local agency work or training program* shall be paid at the same wage rates as county employees doing similar work, and the num-

ber of hours of work assigned to a recipient shall be determined by the needs of himself and his family including expenses incidental to his employment.

Sec. 23. Minnesota Statutes 1978, Section 256D.11, Subdivision 4, is amended to read:

Subd. 4. The commissioner or a local agency may contract with the federal government, or with any department, agency, subdivision or instrumentality of the state, or with any nonprofit organization approved by the commissioner of public welfare for the services of general assistance work program recipients, training and vocational counseling services for participants on such terms and conditions as may be agreed upon, with or without consideration paid to the local agency. In a county where the work equity program is in operation, the commissioner shall have the sole authority to contract with the federal government and with any other state department, and no consideration shall be paid to the local agency, except for consideration attributable to additional administration expenses. The contract agreed upon by the commissioner shall provide for the necessary methods of funding work equity program jobs, which methods may include a transfer of state and local agency general assistance grant moneys directly to the governor's manpower office. The contract may provide that an intended recipient may receive a pay check equal to or greater than his designated amount of assistance instead of receiving his grant.

Sec. 24. Minnesota Statutes 1978, Section 256D.11, Subdivision 5, is amended to read:

Subd. 5. General assistance local agency work and training program recipients participants are employees of the local agencies within the meaning of workers' compensation laws, but not retirement or civil service laws.

Sec. 25. Minnesota Statutes 1978, Section 256D.11, Subdivision 6, is amended to read:

Subd. 6. No person shall be required to register with the commissioner of economic security if he is:

(1) A person with illness, incapacity, or advanced age;

(2) A child attending a school or college full time;

(3) A person whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household;

(4) A person who has been referred to or applied for a work training, work experience, vocational rehabilitation or other such similar employment related educational program; provided that the period of time such person is exempted from the registration requirements of subdivision 1, while awaiting acceptance into such program, does not exceed 30 60 days; or

(5) An adult member of a household with children in which

another adult is employed full time or has registered with the state employment service or been accepted in a work training program; or

(6) *A person exempted by the local agency.*

Sec. 26. Minnesota Statutes 1978, Section 256D.11, Subdivision 7, is amended to read:

Subd. 7. Any person who objects to being required to register with the commissioner of economic security shall be entitled to a prior hearing in accord with the provisions of section 256D.10 on the issue of whether such person comes within the exemptions contained in subdivision 6, ~~clause (1), (2), (3), or (4).~~

Sec. 27. Minnesota Statutes 1978, Section 256D.11, Subdivision 8, is amended to read:

Subd. 8. (1) Any *nonexempt* person who refuses to accept suitable employment, *vocational counseling or training* when offered him shall lose his eligibility for general assistance *for the period in which his refusal continues* and, if a member of a family receiving general assistance, that portion of the grant attributable to said person shall not be paid.

The commissioner may further provide by rule ~~and regulation~~ that vendor payments may be made with respect to any family in which a person who is obligated to accept suitable employment *and training* has refused to do so.

(2) The provisions of section 256D.10 providing for notice and opportunity to be heard prior to a decision to reduce, suspend or terminate benefits shall be applicable to determinations made under clause (1).

Sec. 28. Minnesota Statutes 1978, Section 256D.11, Subdivision 9, is amended to read:

Subd. 9. The commissioner *and the local agencies* shall establish procedures to insure that any recipient of general assistance desiring to improve his ability to support himself and his family shall be promptly referred to the department of economic security or any other agency, public or private, operating a work training, work experience, vocational rehabilitation or other similar program. *The commissioner of economic security shall assure that at least the same level of services and agency efforts are available to general assistance recipients as are available to unemployment compensation recipients who register for work pursuant to section 268.08, subdivision 1, clause (1).*

Sec. 29. Minnesota Statutes 1978, Section 256D.13, Subdivision 1, is amended to read:

256D.13 [MANDAMUS TO COMPEL PAYMENT OF GENERAL ASSISTANCE.] Subdivision 1. Notwithstanding the provisions of section ~~256D.12~~ 256.045 providing for administrative and judicial review of local agency determinations, a person denied general assistance by the local agency may apply to the

district court of the county in which his application was filed and the district court shall order the payment of general assistance if the person establishes:

(1) The substantial likelihood that he is eligible for and entitled to general assistance, and

(2) The person or family will suffer irreparable injury if general assistance is not granted without delay.

Sec. 30. Minnesota Statutes 1978, Section 256D.16, is amended to read:

256D.16 [GENERAL ASSISTANCE TO BE ALLOWED AS CLAIM IN PROBATE COURT.] On the death of any person who received any general assistance under ~~Laws 1973, Chapter 650, Article 21 sections 256D.01 to 256D.18,~~ or on the death of the survivor of a married couple, either or both of whom received general assistance, the total amount paid as general assistance to either or both, without interest, shall be allowed as a claim against the estate of such person or persons by the court having jurisdiction to probate the estate.

Sec. 31. Minnesota Statutes 1978, Section 256D.18, Subdivision 2, is amended to read:

Subd. 2. "County of financial responsibility" means (a) the county in which an individual resides; or (b) if an individual is a patient in a hospital or nursing home, as defined in sections 144.50, or 144A.01 or is placed in a county as a result of a correctional program or a treatment plan for health, rehabilitation, foster care, child care or training, at the time of making application, and immediately prior thereto resided in another county, then that other county; ~~or (c) the above provisions notwithstanding, if an individual is a recipient of medical assistance, the county from which he is receiving medical assistance.~~

Sec. 32. Minnesota Statutes 1978, Section 256D.18, Subdivision 4, is amended to read:

Subd. 4. If upon investigation the local agency decides that the application was not filed in the county of financial responsibility as defined by this section, but that the applicant is otherwise eligible for assistance, it shall, while providing assistance to the applicant, transmit a copy of the application, together with the record of any investigation made by it and a copy of its decision, to the state agency, and to the agency of the county which it has decided is the county of financial responsibility. The state agency shall thereupon promptly decide any question of financial responsibility and make an order referring the application to the local agency of the proper county for further action, including reimbursement by such county of any assistance which another county has provided to the applicant in accordance with this subdivision. The state agency may make such investigation as it deems proper before making its decision. It shall prescribe rules and regulations for carrying into effect this subdivision. The order of the state

agency shall be binding upon the local agency involved and the applicant or recipient, shall be complied with by that agency unless reversed on appeal as provided in Laws 1973, Chapter 650, Article 24 section 256.045, and shall be so complied with pending any such appeal."

Further, delete the title and insert:

"A bill for an act relating to welfare; clarifying certain provisions of the general assistance medical care program; authorizing higher general assistance payments for persons determined to be unemployable; making various other changes in the general assistance program; amending Minnesota Statutes 1978, Sections 256D.01; 256D.02, Subdivisions 4, 9, 10, 11, 12, and by adding a subdivision; 256D.03, Subdivisions 1 and 3; 256D.04; 256D.05, Subdivision 1; 256D.06, Subdivisions 1 and 2, and by adding a subdivision; 256D.08, Subdivision 2; 256D.09, Subdivision 1; 256D.10; 256D.11, Subdivisions 2, 3, 4, 5, 6, 7, 8 and 9; 256D.13, Subdivision 1; 256D.16; and 256D.18, Subdivisions 2 and 4; and Minnesota Statutes, 1979 Supplement, Sections 256D.03, Subdivision 2; 256D.07; and 256D.08, Subdivision 1."

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1588: A bill for an act relating to insurance; providing for the operation of the Minnesota life and health insurance guaranty association; correcting certain oversights and ambiguities; making certain improvements; amending Minnesota Statutes 1978, Sections 61B.02, Subdivision 1; 61B.05, by adding a subdivision; 61B.07, Subdivisions 1, 2, 3 and 7; and 61B.15.

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

- Page 2, line 23, delete "*shall have*" and insert "*has*"
- Page 2, line 23, before "*exercise*" insert "*shall*"
- Page 2, line 25, delete "*Any such*" and insert "*This*"
- Page 2, line 27, delete "*shall be*" and insert "*is*"
- Page 2, line 31, delete "*shall*"
- Page 2, line 31, before "*exercise*" insert "*shall*"
- Page 2, line 31, delete "*such*" and insert "*the*"
- Page 2, line 32, delete "*may be*"
- Page 3, line 1, delete "*might*" and insert "*may*"
- Page 3, line 6, delete "*; and the*" and insert "*. This*"
- Page 3, line 6, delete "*shall be*" and insert "*is*"
- Page 3, line 8, delete "*such*" and insert "*an*"

Page 3, line 13, delete "*by means of*" and insert "*through*"

Page 3, line 16, delete "*shall constitute*" and insert "*constitutes*"

Page 3, line 23, strike "*such*" and insert "*the*" in both cases

Page 3, line 24, strike "*as*"

Page 6, line 9, before the period, insert "*including the power to purchase and maintain insurance on behalf of these persons as provided by section 300.082, subdivision 7*"

Page 6, line 12, before the period, insert "*and the term "association" shall be substituted for the term "corporation"*"

Page 6, after line 12, insert:

*"Sec. 8. Assessments made under chapter 61B prior to the effective date of this act are not affected by this act."*

Renumber the sections in sequence

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 978: A bill for an act relating to banks and trust companies; allowing substitution of certain banks and trust companies in fiduciary capacities maintained by affiliated banks.

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

Page 2, line 16, after "*AFFILIATED*" insert "*OR OTHER*"

Page 2, line 19, after "*bank*" insert "*or other bank or trust company for which it seeks to be substituted*"

Page 2, line 22, after "*bank*" insert "*or other bank or trust company for which substitution is sought and which is*"

Page 2, line 23, after "*bank*" insert "*or other bank or trust company for which substitution is sought*"

Page 3, line 9, delete "*joining*" and insert "*or other bank or trust company for which substitution is sought and which joined*"

Page 4, lines 4 and 9, after "*bank*" insert "*or other bank or trust company*"

Page 4, line 8, after the first "*bank*" insert "*or other bank or trust company*"

Amend the title as follows:

Page 1, line 4, delete "*affiliated*" and insert "*certain*"

Page 1, line 5, after "*banks*" insert "*and trust companies*"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1818: A bill for an act relating to occupations and professions; providing for licensing of public accountants; amending Minnesota Statutes, 1979 Supplement, Section 326.191.

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

Page 1, line 15, strike "January" and insert "July"

Page 1, line 15, reinstate "1980" and delete "1981"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1536: A bill for an act relating to banks; raising the amount of an employee loan possible without prior board approval; amending Minnesota Statutes 1978, Section 48.08.

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

Page 1, line 15, strike "servants" and insert "employees"

Page 1, line 19, after "authorized" insert "in advance"

Page 1, line 21, after "to" strike "an" and insert "a director, officer, or"

Page 1, line 22, delete "\$5,000" and insert "\$25,000"

Page 2, line 10, delete "1979" and insert "1980"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1358: A bill for an act relating to insurance; clarifying provisions regarding acquisition of control of domestic insurers; changing the time period after which a hearing must be held under the insurance holding company systems act; changing the time period under which discovery must be completed for these hearings; eliminating an exemption from the insurance holding company systems act; amending Minnesota Statutes 1978, Section 60D.02, Subdivisions 4 and 6.

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

Page 2, line 6, strike "is such as"

Page 2, line 30, strike "such" and insert "any"

Page 3, line 3, strike "shall"

Page 3, line 4, strike "have" and insert "has"

Page 3, line 15, strike "shall" and insert "do"

Page 3, line 33, strike "such" and insert "a"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1700: A bill for an act relating to insurance; regulating suicide provisions in life insurance contracts; amending Minnesota Statutes 1978, Chapter 61A, by adding a section.

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

Page 1, line 14, after the period, insert "*This section shall not be construed to substantively alter present law but is intended to clarify present law.*"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1662: A bill for an act relating to intoxicating liquor; authorizing holders of off-sale licenses to dispense samples of wine; amending Minnesota Statutes 1978, Section 340.11, Subdivision 15.

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1493: A bill for an act relating to elections; providing an exception to the party list appointment requirements for election judges; allowing town officers to serve as election judges without being named on party lists; amending Minnesota Statutes 1978, Section 204A.17, Subdivision 5.

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

Page 1, line 17, delete everything after the period

Page 1, delete lines 18 to 23 and insert "*If the political parties do not provide an adequate number of names of qualified voters for appointment as election judges, the town board may appoint town officers as provided in this subdivision in addition to those judges appointed from the names provided by the political parties. The town officers may be appointed notwithstanding the party balance provision of section 204A.18, subdivision 1.*"

Page 2, delete line 1

Amend the title as follows:

Page 1, delete lines 3 to 5

Page 1, line 6, delete "lists" and insert "the party balance requirement for appointment of town officers as election judges when insufficient names are supplied by political parties for appointment as election judges"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1579: A bill for an act relating to political parties; allowing party officers and delegates to party conventions to take certain leave time from employment; providing penalties; amending Minnesota Statutes 1978, Chapter 202A, by adding a section.

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

Page 1, line 14, delete "*for the purpose of attending*" and insert "*to attend*"

Page 1, line 15, delete "*party officers*" and insert "*state central committee or executive committee*"

Page 1, line 15, delete "*or of*"

Page 1, line 16, delete "*any of its sub-units,*" and delete "*an officer of that*"

Page 1, line 17, delete "*party or sub-unit*" and insert "*a member of the committee*"

Page 1, line 18, after "*delegates*" insert "*including meetings of official convention committees*"

Page 1, line 18, after "*delegate*" insert "*or alternate delegate*"

Amend the title as follows:

Page 1, line 2, after "*allowing*" insert "*members of political*"

Page 1, line 3, delete "*officers*" and insert "*committees*"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 2122: A bill for an act relating to elections; authorizing time off from work for election judges; amending Minnesota Statutes 1978, Section 204A.18, by adding a subdivision.

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

Page 1, line 8, delete "204A.18" and insert "204A.17"

Page 1, line 10, delete "5" and insert "6"

Page 1, line 12, after "to" insert "this"

Page 1, line 12, delete "204A.17, subdivision 1"

Page 1, line 18, after the period, insert "*This subdivision applies only to employers with four or more employees.*"

Page 1, after line 18, insert:

"Sec. 2. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 4, delete "204A.18" and insert "204A.17"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1188: A bill for an act relating to insurance; providing that an employer group disability income policy provide coverage for pre-termination claims.

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

Page 1, line 9, delete "shall"

Page 2 after line 3, insert:

"Sections 1 and 2 may be superseded by a rule promulgated by the commissioner of insurance."

Page 2, line 5, delete "1979" and insert "1980"

Page 2, line 6, delete "1979" and insert "1980"

Page 2, line 8, delete "1980" and insert "1981"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1889: A bill for an act relating to intoxicating liquor; authorizing the use of wine catalogs by off-sale dealers; amending Minnesota Statutes 1978, Section 340.15, Subdivision 1.

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

Page 1, line 18, delete "50" and insert "25"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1187: A bill for an act relating to insurance; providing for continuation of waiver of premium benefits for the disabled, regardless of continuation of the master policy; amending Minnesota Statutes 1978, Section 61A.091.

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

Page 2, lines 10, 12 and 15, strike "shall" and insert "does"

Page 2, line 26, delete "total"

Page 2, line 28, after the period, insert "*This subdivision may be superseded by a rule promulgated by the commissioner of insurance.*"

Page 2, line 29, delete "*shall become effective*" and insert "*applies to*"

Page 2, line 30, delete "For"

Page 2, line 30, after "*delivered*" insert "*on or*"

Page 2, line 31, delete "1979" and insert "1980"

Page 2, line 32, delete "For"

Page 2, line 32, delete "annual"

Page 2, line 33, after "*the*" insert "*first*"

Page 2, line 33, delete everything after "*date*" and insert "*after October 1, 1980;*"

Page 3, delete lines 1 and 2

Page 3, line 3, delete "For"

Page 3, line 3, delete "annual"

Page 3, line 4, delete "1980" and insert "1981"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1773: A bill for an act relating to intoxicating liquor; authorizing the production and sale of table or sparkling wines produced by a Minnesota farm winery; providing for the taxation thereof.

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

Page 1, line 10, delete "located upon" and insert "operated by the owner of"

Page 1, line 14, after "beverage" insert "made without rectification or fortification and"

Page 1, line 17, delete ", without rectification or fortification"

Page 2, line 14, delete "act" and insert "section"

Page 2, after line 17, insert:

"Subd. 5. If Minnesota produced or grown grapes, grape juice, other fruit bases or honey is not available in quantities sufficient to constitute a majority of the table or sparkling wine produced by a farm winery, the holder of the farm winery license may file an affidavit stating this fact with the commissioner of public safety. If the commissioner determines, after consultation with the commissioner of agriculture, this to be true, the farm winery may use imported products and shall continue to be governed by the provisions of this section and section 2. The affidavit is effective for a period of one year, after which time the farm winery shall use the required amount of Minnesota products as provided by subdivision 1 unless the farm winery holder files a new affidavit with the commissioner."

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1706: A bill for an act establishing the Minnesota small business conference; providing for its organization, meetings and procedures; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. The commission on the Minnesota conference on small business is established. The commission shall consist of nine commissioners all of whom shall be small business persons. Three shall be appointed by the governor, three by the speaker of the house of representatives, and three by the committee on rules and administration of the senate. The honorary chairperson of the commission shall be a person who served as a commissioner of the 1980 White House conference on small business. The commission shall meet from time to time to discharge the duties imposed by this act. Compensation, removal and filling of vacancies shall be as provided in section 15.059. The commission shall expire March 31, 1981.

Sec. 2. The commission shall establish procedures for and shall hold regional meetings of small business persons to study small business and elect delegates to a statewide conference. The delegates shall represent small business in all parts of the state. All delegates to the 1980 White House conference shall also be ex officio voting delegates to the Minnesota conference. The gover-

nor shall appoint that number of additional voting delegates representing environmental, consumer and labor organizations which the commission deems adequate to provide meaningful participation to those organizations. The number of delegates appointed under the preceding sentence shall not be a majority of all delegates to the conference.

Sec. 3. The commission shall hold a statewide conference of delegates to discuss the development of small business and its opportunities and needs in the state. The conference shall be held in January 1981 and be conducted according to procedures established by the commission. The commission shall use information developed by the White House conference and seek the assistance of the United States Small Business Administration whenever appropriate.

Sec. 4. The commission shall report the proposals for action adopted by the conference to help the development of small business to the legislature and governor by March 1, 1981.

Sec. 5. The commission may accept gifts and grants made to it and shall apply them to the purposes of this act.

Sec. 6. [APPROPRIATION.] The sum of \$100,000 is appropriated from the general fund to the commission on the Minnesota conference on small business to accomplish the purposes of this act. This appropriation is available until March 31, 1981.

Sec. 7. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, after "establishing" insert "the commission on"

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1937: A bill for an act relating to drivers licenses; authorizing instruction permit holders to operate a motor vehicle while receiving behind the wheel training when accompanied by licensed adults; amending Minnesota Statutes 1978, Section 171.05, Subdivision 2.

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

Page 1, line 23, reinstate "parent or guardian" and after "guardian" insert "*or licensed*"

Page 1, line 23, after "*driver*" insert "*authorized by the parent or guardian*"

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 2120: A bill for an act appropriating money for restoration projects and educational programs at Murphy's Landing in Scott County.

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1810: A bill for an act relating to motor vehicles; registration and taxation; exempting certain tax exempt vehicles from special markings; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1798: A bill for an act relating to the military; extending indefinitely the duration of the authority of the adjutant general to acquire lands for military training from funds available in the military land fund; repealing certain obsolete provisions relating to the military land fund; amending Minnesota Statutes 1978, Sections 190.25; 190.26, Subdivision 1; 190.29; 190.30, Subdivisions 1, 5 and 6; and repealing Minnesota Statutes 1978, Sections 190.26, Subdivisions 2 and 3; and 190.27.

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1797: A bill for an act relating to the Minnesota zoological garden; supplementing and clarifying the authority of the zoological garden board in regard to penalties for rule violations; regulating the use of the name or mark of the garden; providing penalties; amending Minnesota Statutes 1978, Section 85A.02, Subdivision 7; and Chapter 333, by adding sections.

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

Page 1, line 19, strike "A" and insert "The"

Page 1, line 19, strike "any" and insert "a"

Page 1, line 21, delete ", unless" and insert a period

Page 1, line 21, delete "shall" and insert "may"

Page 1, line 21, after "that" delete "the"

Page 1, line 22, delete "*penalty for*"

Page 1, line 22, after "*be*" insert "*sufficient cause for*"

Page 2, line 4, delete "*except as*" and insert "*not*"

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

Page 2, line 7, delete "*assume*" and insert "*assumes*"

Page 2, line 7, delete "*adopt*" and insert "*adopts*"

Page 2, line 7, delete "*use in any manner*" and insert "*uses*"

Page 2, line 8, delete "*or*" and insert a comma

Page 2, line 11, after "*deceive*" insert "*or mislead*"

Page 2, line 13, delete "*shall,*"

Page 2, line 15, delete "*assume*" and insert "*assumes*"

Page 2, line 15, delete "*adopt*" and insert "*adopts*"

Page 2, line 15, delete "*use in*" and insert "*uses*"

Page 2, line 16, delete "*any manner*"

Page 2, line 22, after "*deceive*" insert "*or mislead*"

Page 2, line 29, after "*jurisdiction*" delete "*to*"

Page 2, delete line 30

Page 2, line 31, delete "*less than five days, for an injunction*"

Page 3, line 12, delete "*an injunction may be issued by*"

Page 3, line 12, after "*court*" insert "*may*"

Page 3, line 12, delete "*enjoining*" and insert "*enjoin*"

Page 3, line 13, delete "*restraining*" and insert "*restrain*"

Page 3, delete lines 16 through 21

Renumber the sections in sequence

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

Mr. Schaaf from the Committee on Governmental Operations,  
to which was referred

H. F. No. 874: A bill for an act relating to state government; changing certain administrative procedures; amending Minnesota Statutes 1978, Sections 3.965; 15.0412, Subdivisions 2, 4, 5, and by adding subdivisions; 15.0413, Subdivisions 1 and 2; 15.0418; 15.0419, Subdivisions 1, 2 and 4; 15.0422; 15.0424, Subdivisions 1, 2 and 6; 15.0425; 15.0426; 15.052, Subdivisions 1, 2, 4, 5, 7, 8 and 9; repealing Minnesota Statutes 1978, Sections 5.21, and 15.0423:

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 3.965, is amended to read:

3.965 [LEGISLATIVE COMMISSION TO REVIEW ADMINISTRATIVE RULES.] Subdivision 1. [COMPOSITION; MEETINGS.] A legislative commission for review of administrative rules defined pursuant to section 15.0411 to 15.0422, consisting of five senators appointed by the committee on committees of the senate and five representatives appointed by the speaker of the house of representatives shall be appointed. The commission shall meet at the call of its chairman or upon a call signed by two of its members or signed by five members of the legislature. The legislative commission chairmanship shall alternate between the two houses of the legislature every two years.

Subd. 2. [REVIEW OF RULES BY COMMISSION.] The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them. *The jurisdiction of the commission shall include all rules as defined in section 15.0411, subdivision 3 and all rules promulgated by agencies specified in section 15.0411, subdivision 2, clauses (c) through (i).* It may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention and may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of subdivision 4 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is defeated, or fails of enactment in that year's session, the rule shall stand and the commission may not suspend it again. If the bill becomes law, the rule is repealed and shall not be enacted again unless a law specifically authorizes the adoption of that rule. The commission shall make a biennial report to the legislature and governor of its activities and include therein its recommendations.

Subd. 3. [PUBLIC HEARINGS BY STATE AGENCIES.] By a vote of a majority of its members, the commission may request any ~~department~~ *agency* issuing rules to hold a public hearing in respect to recommendations made pursuant to subdivision 2 *including recommendations made by the commission to promote adequate and proper rules by that agency and recommendations contained in the commission's biennial report.* The ~~department~~ *agency* shall give notice as provided in section 15.0412, subdivision 4 of a hearing thereon, to be conducted in accordance with section 15.0412. The hearing shall be held not more than 60 days after receipt of the request.

Subd. 4. [REVIEW BY STANDING COMMITTEES.] Before the commission suspends any rule, it shall request the speaker of the house and the president of the senate to refer the question of suspension of the given rule or rules to the appropriate committee

or committees of the respective houses for the committees' ~~re-~~*recommendation recommendations*. No suspension shall take effect until the ~~recommendation is~~ *committees' recommendations* are received, or 60 days after referral of the question of suspension to the speaker of the house and the president of the senate. However, the ~~recomendation~~ *recommendations* shall be advisory only.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 15.0411, Subdivision 2, is amended to read:

Subd. 2. "Agency" means any state officer, board, commission, bureau, division, department, or tribunal, other than a court, having a statewide jurisdiction and authorized by law to make rules or to adjudicate contested cases. "Agency" also means the capitol area architectural and planning board. Sections 15.0411 to 15.052 do not apply to (a) agencies directly in the legislative or judicial branches, (b) emergency powers in sections 12.31 to 12.37, ~~(c) corrections board and pardon board,~~ ~~(d) the unemployment insurance program in the department of economic security,~~ ~~(e) the director of mediation services,~~ ~~(f) the workers' compensation division in the department of labor and industry,~~ ~~(g) the workers' compensation court of appeals,~~ ~~(h) board of pardons,~~ or ~~(i)~~ (c) the department of military affairs. Sections 15.0418 to 15.0426 do not apply to (a) the Minnesota municipal board, (b) *the corrections board,* (c) *the unemployment insurance program in the department of economic security,* (d) *the director of mediation services,* (e) *the workers' compensation division in the department of labor and industry,* (f) *the workers' compensation court of appeals,* (g) *the board of pardons,* or (h) the public employees relations board.

Sec. 3. Minnesota Statutes 1978, Section 15.0412, is amended by adding a subdivision to read:

*Subd. 1a. Unless otherwise provided by law, an agency may grant a variance to a rule. Before an agency grants a variance, it shall have promulgated rules setting forth procedures and standards by which variances shall be granted and denied. An agency receiving a request for a variance shall set forth in writing its reasons for granting or denying the variance. This subdivision shall not constitute authority for an agency to grant variances to statutory standards.*

Sec. 4. Minnesota Statutes 1978, Section 15.0412, Subdivision 2, is amended to read:

Subd. 2. To assist interested persons dealing with it, each agency shall, in a manner prescribed by the commissioner of administration, prepare a description of its organization, stating the process whereby the public may obtain information or make submissions or requests. The commissioner of administration shall annually publish these descriptions *at least in every odd-numbered year commencing in 1981 in a guidebook of state agencies. Notice of the publication of the guidebook shall be published in the state register.*

Sec. 5. Minnesota Statutes 1978, Section 15.0412, is amended by adding a subdivision to read:

*Subd. 2a. The revisor of statutes may, upon request, provide technical and legal assistance to state agencies in drafting rules.*

Sec. 6. Minnesota Statutes 1978, Section 15.0412, Subdivision 4, is amended to read:

*Subd. 4. No rule shall be adopted by any agency unless the agency first holds a public hearing thereon, affording all affected interests an opportunity to participate, and gives notice of its intention to hold such a hearing at least 30 days prior to the date set for the hearing by United States mail, to representatives of associations or other interested groups or persons who have registered their names with the secretary of state for that purpose and in the state register. Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intentions to hold a hearing by United States mail to all persons on its list, and by publication in the state register. Each agency may, at its own discretion, also contact persons not on its list and may give notice of its intention to hold a hearing in newsletters, newspapers or other publications or through other means of communication. The notice in the state register shall include the full text of the rule proposed for adoption; ~~provided that,~~ and whatever portion of existing rules is necessary to provide adequate notice of the nature of the proposed action. When an entire rule is proposed to be repealed or renumbered, the agency need only publish that fact, giving the exact citation to the rule to be repealed or renumbered in the notice.*

*Subd. 4a. With the approval of the chief hearing examiner, the agency may incorporate by reference provisions of federal law or rule or other materials from sources which the chief hearing examiner determines are conveniently available for viewing, copying and acquisition by interested persons. The chief hearing examiner shall not approve incorporation by reference of federal law or rule or other materials which are less than 3000 words in length or which would require less than five pages of publication in the state register.*

*Subd. 4b. The agency shall make available at least one free copy of the proposed rule to any person requesting it. The free copy shall contain the exact wording and form of the proposed rule and notice of hearing as published in the state register and shall be available to the public at least 30 days prior to the date set for the hearing.*

*Subd. 4c. At the public hearing the agency shall make an affirmative presentation of facts establishing the need for and reasonableness of the rule proposed for adoption and fulfilling any rele-*

vant substantive or procedural requirements imposed on the agency by law or rule. *The agency may, in addition to its affirmative presentation, rely upon facts presented by others on the record during the rule proceeding to support the rule finally adopted.*

*Subd. 4d. After allowing written material to be submitted and recorded in the hearing record for five working days after the public hearing ends, or for a longer period not to exceed 20 days if ordered by the hearing examiner, the hearing examiner assigned to the hearing shall proceed to write a report as provided for in section 15.052, subdivision 3, which . If the report contains a finding that the proposed rule is substantially different from that which was proposed at the public hearing, or that the agency has not met the requirements of section 15.0412, subdivisions 4 through 4f, it shall be submitted to the chief hearing examiner for approval. If the chief hearing examiner approves the finding of the hearing examiner, he shall advise the agency of actions which will correct the defects, and the agency shall not adopt the rule until the chief hearing examiner determines that the defects have been corrected. If the chief hearing examiner determines that the need for and reasonableness of the rule has not been established pursuant to subdivision 4, clause (c), and if the agency does not elect to follow the suggested actions of the hearing examiner to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not proceed to adopt the rule until it has received and considered the advice of the commission; provided, that the agency is not required to delay adoption longer than 30 days after the commission's receipt of the agency's submission. Advice of the commission shall not be binding on the agency. The report shall be completed within 30 days after the close of the hearing record unless the chief hearing examiner, upon written request of the agency and or the hearing examiner, orders an extension. In no case shall an extension be granted if the chief hearing examiner determines that an extension would prohibit a rule from being adopted or becoming effective until after a date for adoption or effectiveness as required by statute. The report shall be available to all affected persons upon request for at least five working days before the agency takes any final action on the rule.*

*Subd. 4e. If the agency adopts the rule as recommended by the hearing examiner, it shall be submitted with the complete hearing record to the attorney general, who shall review the rule as to form and legality. If the chief hearing examiner determines that the proposed final rule of the agency is substantially different from that which was proposed at the public hearing, he shall advise the agency of actions which will correct the defects, and the agency shall not adopt the rule until the chief hearing examiner determines that the defects have been corrected. If the agency, the chief hearing examiner or the attorney general requests, the hearing examiner shall cause a transcript to be prepared of the hearing. The agency shall give notice to all persons who requested to be*

informed that the hearing record has been submitted to the attorney general. *This notice shall be given on the same day that the record is submitted.* The attorney general shall, within 20 days, either approve or disapprove the rule. If he approves the rule, he shall promptly file it in the office of the secretary of state. If he disapproves the rule, he shall state in writing his reasons therefor, and the rule shall not be filed in the office of the secretary, nor published.

*Subd. 4f.* A rule shall become effective after it has been subjected to all requirements described in ~~this subdivision~~ *subdivisions 4 through 4f* and five working days after publication in the state register, as hereinafter provided, unless a later date is required by statutes or specified in the rule. If the rule as adopted does not differ from the proposed rule as published in the state register, publication may be made by publishing notice in the state register that the rule has been adopted as proposed and by publishing a citation to the prior publication. If the rule as adopted differs from the proposed rule, the adopted rule or subdivisions thereof which differ from the proposed rule shall be published together with a citation to the prior state register publication of the remainder of the proposed rule.

Sec. 7. Minnesota Statutes 1978, Section 15.0412, is amended by adding a subdivision to read:

*Subd. 4q.* *When an agency determines that its proposed adoption, amendment, suspension or repeal of a rule will be noncontroversial in nature, it may utilize the provisions herein in lieu of the provisions of subdivisions 4 through 4f. The agency shall publish a notice of its intent to adopt the rule without public hearing, together with the proposed rule, in the state register, and shall give the same notice by United States mail to persons who have registered their names with the agency pursuant to subdivision 4. When an entire rule is proposed to be repealed or renumbered, the agency need only publish that fact, giving the exact citation to the rule to be repealed or renumbered in the notice. The notice shall include a statement advising the public:*

*(1) that they have 30 days in which to submit comment on the proposed rule;*

*(2) that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30 day comment period;*

*(3) of the manner in which persons shall request a hearing on rules proposed pursuant to this subdivision; and*

*(4) that the rule may be modified if modifications are supported by the data and views submitted.*

*Before the date of the notice, the agency shall prepare a statement of need and reasonableness which shall be available to the public. For at least 30 days following the notice, the agency shall afford all interested persons an opportunity to object to the lack of a hearing and to submit data and views on the proposed rule in*

*writing. The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change. If, during the 30 day period allowed for comment, seven or more persons submit to the agency a written request for a hearing of the proposed rule, the agency shall proceed under the provisions of subdivisions 4 through 4f. In the event that a hearing is required, a citation in the state register to the prior publication of the proposed rule may be substituted for republication unless the agency has modified the proposed rule. If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. The attorney general shall approve or disapprove the rule as to form and legality, including the issue of substantial change, within 14 days. If he approves the rule, he shall promptly file it in the office of the secretary of state. If he disapproves the rule, he shall state in writing his reasons therefor, and the rule shall not be filed in the office of the secretary of state, nor published. The rule shall become effective upon publication in the state register in the same manner as provided for adopted rules in subdivision 4f.*

*Sec. 8. For purposes of implementing section 15.0412, subdivision 4, the attorney general shall prepare a notice which shall be published by the state register on or before August 4, 1980, which notice shall be mailed, by the office of hearing examiners, to all persons presently registered with the secretary of state for the purpose of being advised of rulemaking hearings. The notice shall be sufficiently specific to inform all persons of the manner in which they may register their names with the various state agencies in order to be notified of all rulemaking hearings.*

**Sec. 9. Minnesota Statutes 1978, Section 15.0412, Subdivision 5, is amended to read:**

**Subd. 5. When an agency is directed or authorized by statute, federal law or court order to adopt, amend, suspend or repeal a rule in a manner that does not allow for compliance with subdivisions 4 through 4g, or if an agency is expressly required or authorized by statute to adopt temporary rules, the agency shall promulgate a adopt temporary rule rules in accordance with this subdivision. The proposed temporary rule shall be published in the state register and for at least 20 days thereafter the agency shall afford all interested persons an opportunity to submit data and views on the proposed temporary rule in writing. The proposed temporary rule may be modified if the modifications are supported by the data and views submitted to the agency. The agency shall submit to the attorney general the proposed temporary rule as shall review the proposed temporary rule as to form and legality and shall approve or disapprove the proposed temporary rule and published, with any proposed modifications. The attorney general**

any proposed modifications within five working days. The temporary rule shall take effect upon approval of the attorney general. Failure of the attorney general to approve or disapprove within five working days shall be deemed approval. As soon as practicable notice of the attorney general's decision shall be published in the state register and the adopted rule shall be published in the manner as provided for adopted rules in subdivision 4. Temporary rules adopted under this subdivision shall be effective for not longer than 90 days and may be reissued or continued in effect for an additional 90 days, but may not immediately be reissued thereafter without following the procedure of ~~subdivision 4~~ *subdivisions 4 through 4g*.

Sec. 10. Minnesota Statutes 1978, Section 15.0412, is amended by adding a subdivision to read:

*Subd. 8. Each agency shall, within six months after the effective date of a law requiring rules to be promulgated, unless otherwise specified by law, publish notice of hearing or notice of intent to adopt a rule without public hearing in accordance with this section. If an agency has not given this notice, it shall report to the appropriate committees of the legislature and the governor its failure to do so, and the reasons for that failure.*

Sec. 11. Minnesota Statutes 1978, Section 15.0412, is amended by adding a subdivision to read:

*Subd. 9. The agency shall, within six months after issuance of the hearing examiner's report, either withdraw the proposed rules or publish its adopted final action in the state register. If the agency has not published its adopted final action in the state register within six months, it shall not proceed to adopt the subject rules without rehearing the rules pursuant to all the procedures of this section, and it shall report to the appropriate committees of the legislature and to the governor its failure to adopt rules and the reasons for that failure.*

Sec. 12. Minnesota Statutes 1978, Section 15.0413, Subdivision 1, is amended to read:

15.0413 [EFFECT OF ADOPTION OF RULES; PUBLICATION; APPROPRIATION.] Subdivision 1. Every rule approved by the attorney general and filed in the office of the secretary of state as provided in section 15.0412 shall have the force and effect of law ~~20~~ *five working days* after its publication in the state register unless a later date is required by statute or specified in the rule. The secretary of state shall keep a permanent record of rules filed with that office open to public inspection. *Should a discrepancy exist between the rules published in the state register and the rules on file with the secretary of state, the rules on file with the secretary of state shall have effect.*

Sec. 13. Minnesota Statutes 1978, Section 15.0413, Subdivision 2, is amended to read:

Subd. 2. Each rule hereafter amended, suspended, or repealed shall become amended, suspended, or repealed ~~20~~ *five working*

days after the new or amended rule or notice of suspension or repeal is published in the state register unless a later date is required by statute or specified in the rule.

Sec. 14. Minnesota Statutes 1978, Section 15.0418, is amended to read:

**15.0418 [CONTESTED CASE.]** *Subdivision 1. An agency shall initiate a contested case proceeding when one is required by law. Unless otherwise provided by law, an agency shall decide a contested case only in accordance with the contested case procedures of the administrative procedure act.*

*Subd. 2. [NOTICE AND HEARING.] In any contested case all parties shall be afforded an opportunity for hearing after reasonable notice. The notice shall state the time, place and issues involved, but if, by reason of the nature of the proceeding case, the issues cannot be fully stated in advance of the hearing, or if subsequent amendment of the issues is necessary, they shall be fully stated as soon as practicable, and opportunity shall be afforded all parties to present evidence and argument with respect thereto. Prior to assignment of a case to a hearing examiner as provided by section 15.052, all papers shall be filed with the agency. Subsequent to assignment of the case, the agency shall certify the official record to the office of hearing examiners administrative hearings, and thereafter, all papers shall be filed with that office. The office of hearing examiners administrative hearings shall maintain the official record which shall include subsequent filings, testimony and exhibits. All filings are deemed effective upon receipt. The record shall contain a written transcript of the hearing only if preparation of a transcript is requested by the agency, a party, or the chief hearing examiner. The agency or party requesting a transcript shall bear the cost of preparation. When the chief hearing examiner requests preparation of the transcript, the agency shall bear the cost of preparation. Upon issuance of the hearing examiner's report, the official record shall be certified to the agency.*

*Subd. 3. [INFORMAL DISPOSITION.] Informal disposition may also be made of any contested case by stipulation, agreed settlement, consent order or default.*

Sec. 15. Minnesota Statutes 1978, Section 15.0419, Subdivision 1, is amended to read:

**15.0419 [EVIDENCE IN CONTESTED CASE HEARINGS.]** *Subdivision 1. In contested cases agencies may admit and give probative effect to evidence which possesses probative value commonly accepted by reasonable prudent men persons in the conduct of their affairs. They shall give effect to the rules of privilege recognized by law. They may exclude incompetent, irrelevant, immaterial and repetitious evidence.*

Sec. 16. Minnesota Statutes 1978, Section 15.0419, Subdivision 2, is amended to read:

Subd. 2. All evidence, including records and documents ~~(except tax returns and tax reports)~~ containing information classified by law as not public, in the possession of the agency of which it desires to avail itself or which is offered into evidence by a party to a contested case proceeding, shall be offered and made a part of the hearing record in of the case; and. No other factual information or evidence ~~(except tax returns and tax reports)~~ shall be considered in the determination of the case unless it is part of the record. Documentary evidence may be received in the form of copies or excerpts, or by incorporation by reference. When the hearing record contains information which is not public, the hearing examiner or the agency may conduct a closed hearing to discuss the information, issue necessary protective orders, and seal all or part of the hearing record.

Sec. 17. Minnesota Statutes 1978, Section 15.0419, Subdivision 4, is amended to read:

Subd. 4. Agencies may take notice of judicially cognizable facts and in addition may take notice of general, technical, or scientific facts within their specialized knowledge. Parties shall be notified in writing either before or during hearing, or by reference in preliminary reports or otherwise, or by oral statement in the record, of the material so noticed, and they shall be afforded an opportunity to contest the facts so noticed. Agencies may utilize their experience, technical competence, and specialized knowledge in the evaluation of the evidence presented to them in the hearing record.

Sec. 18. Minnesota Statutes 1978, Section 15.0422, is amended to read:

15.0422 [DECISIONS, ORDERS.] *Subdivision 1.* Every decision and order adverse to a party of the proceeding, rendered by an agency in a contested case, shall be in writing or stated in the record and shall be accompanied by a statement of the reasons therefor. The statement of reasons shall consist of a concise statement of the conclusions upon each contested issue of fact necessary to the decision. Parties to the proceeding shall be notified of the decision and order in person or by mail. shall be based on the record and shall include the agency's findings of fact and conclusions on all material issues. A copy of the decision and order and accompanying statement of reasons together with a certificate of service shall be delivered or mailed upon request to served upon each party or to his attorney of record his representative and the hearing examiner by first class mail .

*Subd. 2.* Unless otherwise provided by law, if an agency fails to render a decision and order in a contested case within 90 days after the submission of the final hearing examiner report and subsequent exceptions and arguments under section 15.0421 if any, any party may petition the district court for an order requiring the agency to render a decision and order on the contested case within such time as the court determines to be appropriate.

*The order shall be issued unless the agency shows that further delay is reasonable.*

Sec. 19. Minnesota Statutes 1978, Section 15.0424, Subdivision 1, is amended to read:

15.0424 [JUDICIAL REVIEW OF A CONTESTED CASE DECISION.] Subdivision 1. [APPLICATION.] Any person aggrieved by a final decision in a contested case of any agency as defined in section 15.0411, subdivision 2 (including those agencies excluded from the definition of "agency" in section 15.0411, subdivision 2, but excepting the tax court, the workers' compensation court of appeals sitting on workers' compensation cases, the department of economic security, the director of mediation services, and the department of public service), whether such decision is affirmative or negative in form, is entitled to judicial review thereof, *of the decision under the provisions of this section*, but nothing in this section shall be deemed to prevent resort to other means of review, redress, relief, or trial de novo provided by law now or hereafter enacted. The term "final decision" as herein used shall not embrace a proposed or tentative decision until it has become the decision of the agency either by express approval or by the failure of an aggrieved person to file exceptions thereto within a prescribed time under the agency's rules. *A petition by an aggrieved person for judicial review under this section must be filed with the district court and served on the agency not more than 30 days after the party receives the final decision and order of the agency.*

Sec. 20. Minnesota Statutes 1978, Section 15.0424, Subdivision 2, is amended to read:

Subd. 2. [PETITION, SERVICE.] (a) Proceedings for review *under this section* shall be instituted by serving a petition thereof personally or by certified mail upon the agency or one of its members or upon its secretary or clerk and by filing such *the* petition in the office of the clerk of district court for the county wherein *where* the agency has its principal office or the county of residence of the petitioners, all within 30 days after the agency shall have served such decision and any order made pursuant thereto by mail on the parties of record therein; subject, however, to the following:

(1) In the case of a tentative or proposed decision which has become the decision of the agency either by express approval or by a failure by an aggrieved person to file exceptions within a prescribed time under the agency's rules, such 30-day period shall not begin to run until the latest of the following events shall have occurred; (a) such decision shall have become the decision of the agency as aforesaid; (b) such decision, either before or after it has become the decision of the agency, shall have been served by mail by such agency on the parties of record in such proceeding.

(2) In case a request for rehearing or reconsideration shall have been made within the time permitted and in conformity with the agency's rules *ten days after the decision and order of the agency*,

such *the* 30-day period *provided in subdivision 1* shall not begin to run until service of the order finally disposing of the application for rehearing or reconsideration, but nothing herein shall be construed as requiring that an application for rehearing or reconsideration be filed with and disposed of by the agency as a prerequisite to the institution of a review proceeding under this section.

(b) The petition shall state the nature of the petitioner's interest, the facts showing the petitioner is aggrieved and is affected by the decision, and the ground or grounds upon which the petitioner contends that the decision should be reversed or modified. The petition may be amended by leave of court although the time for serving the *same petition* has expired. The petition shall be entitled in the name of the person serving the *same petition* as petitioner and the name of the agency whose decision is sought to be reviewed as respondent. Copies of the petition shall be served, personally or by certified mail, not later than 30 days after the institution of the proceeding, upon all parties who appeared before the agency in the proceeding in which the order sought to be reviewed was made; and for the purpose of such service the agency upon request shall certify to the petitioner the names and addresses of all such parties as disclosed by its records, which certification shall be conclusive. The agency and all parties to the proceeding before it shall have the right to participate in the proceedings for review. The court in its discretion may permit other interested parties to intervene.

(c) Every person served with the petition for review as provided in this section and who desires to participate in the proceedings for review thereby instituted shall serve upon the petitioner, within 20 days after service of the petition upon such person, a notice of appearance stating his position with reference to the affirmance, vacation, reversal or modification of the order or decision under review. Such notice, other than by the named respondent, shall also be served on the named respondent and the attorney general and shall be filed, together with proof of service thereof, with the clerk of the reviewing court within ten days after such service. Service of all subsequent papers or notices in such proceedings need be made only upon the petitioner, the named respondent, the attorney general, and such other persons as have served and filed the notice as herein provided, or have been permitted to intervene in said proceedings as parties thereto by order of the reviewing court.

Sec. 21. Minnesota Statutes 1978, Section 15.0424, Subdivision 6, is amended to read:

Subd. 6. [PROCEDURE ON REVIEW.] The review shall be conducted by the court without a jury and shall be confined to the record, except that in cases of alleged irregularities in procedure before the agency, not shown in the record, testimony thereon may be taken in the court. The court shall, upon request, hear oral argument and receive written briefs. Except as otherwise provided all proceedings shall be conducted according to the rules of civil procedure.

Sec. 22. Minnesota Statutes 1978, Section 15.0425, is amended to read:

15.0425 [SCOPE OF JUDICIAL REVIEW.] In any proceedings for a judicial review by any court of decisions of any agency as defined in section 15.0111, subdivision 2 (~~including these agencies excluded from the definition of agency in section 15.0111, subdivision 2~~) under section 15.0424 the court may affirm the decision of the agency or remand the case for further proceedings; or it may reverse or modify the decision if the substantial rights of the petitioners may have been prejudiced because the administrative finding, inferences, conclusion, or decisions are:

- (a) In violation of constitutional provisions; or
- (b) In excess of the statutory authority or jurisdiction of the agency; or
- (c) Made upon unlawful procedure; or
- (d) Affected by other error of law; or
- (e) Unsupported by substantial evidence in view of the entire record as submitted; or
- (f) Arbitrary or capricious.

Sec. 23. Minnesota Statutes 1978, Section 15.0426, is amended to read:

15.0426 [APPEALS TO SUPREME COURT.] An aggrieved party, including an agency which issued a decision ~~or~~ *and* order in the case, may secure a review of any final order or judgment of the district court under ~~sections~~ *section* 15.0424 ~~or~~ 15.0425 by appeal to the supreme court. ~~Such~~ *The* appeal shall be taken in the manner provided by law for appeals from orders or judgments of the district court in other civil cases.

Sec. 24. Minnesota Statutes 1978, Section 15.052, Subdivision 1, is amended to read:

15.052 [OFFICE OF HEARING EXAMINERS.] Subdivision 1. A state office of ~~hearing examiners~~ *administrative hearings* is created. The office shall be under the direction of a chief hearing examiner, who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. The chief hearing examiner shall appoint additional hearing examiners to serve in his office as necessary to fulfill the duties prescribed in this section. All hearing examiners shall be in the classified service except that the chief hearing examiner shall be in the unclassified service, but may be removed from his position only for cause. Additionally, all hearing examiners shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.

Sec. 25. Minnesota Statutes 1978, Section 15.052, Subdivision 2, is amended to read:

Subd. 2. When regularly appointed hearing examiners are not available, the chief hearing examiner may contract with qualified individuals to serve as hearing examiners for specific assignments. Such temporary hearing examiners shall not be employees of the state and shall be remunerated for their service at a rate not to exceed \$150 per day.

Sec. 26. Minnesota Statutes 1978, Section 15.052, Subdivision 4, is amended to read:

Subd. 4. The chief hearing examiner shall promulgate rules to govern the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings and contested case hearings. Such procedural rules for hearings shall be binding upon all agencies and shall supersede any other agency procedural rules with which they may be in conflict. The procedural rules for hearings shall include in addition to normal procedural matters provisions relating to recessing and reconvening new hearings when the proposed final rule of an agency is substantially different from that which was proposed at the public hearing. The procedural rules shall establish a procedure whereby the proposed final rule of an agency shall be reviewed by the chief hearing examiner to determine whether or not a new hearing is required because of substantial changes or failure of the agency to meet the requirements of section 15.0412, subdivision 4 subdivisions 4 through 4f. Upon his own initiative or upon written request of an interested party, the chief hearing examiner may issue a subpoena for the attendance of a witness or the production of such books, papers, records or other documents as are material to the matter being heard. The subpoenas shall be enforceable through the district court in the district in which the subpoena is issued.

Sec. 27. Minnesota Statutes 1978, Section 15.052, Subdivision 5, is amended to read:

Subd. 5. The office of hearing examiners administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with non-governmental 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.

Court reporters serving in the court reporter system of the office of hearing examiners, 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. 28. Minnesota Statutes 1978, Section 15.052, Subdivision 7, is amended to read:

Subd. 7. A state office of hearing examiner administrative hear-

ings account is hereby created in the state treasury. All receipts from services rendered by the state office of hearing examiner *administrative hearings* shall be deposited in the account, and all funds in the account shall be annually appropriated to the state office of hearing examiner *administrative hearings* for carrying out the duties specified in this section.

Sec. 29. Minnesota Statutes 1978, Section 15.052, Subdivision 8, is amended to read:

Subd. 8. The chief hearing examiner may enter into contracts with political subdivisions of the state and such political subdivisions of the state may contract with the chief hearing examiner for the purpose of providing hearing examiners and reporters for administrative proceedings. *The contract may define the scope of the hearing examiner's duties, which may include the preparation of findings, conclusions, or a recommendation for action by the political subdivision.* For such services there shall be an assessment in the manner provided in subdivision 6.

Sec. 30. Minnesota Statutes 1978, Section 15.052, Subdivision 9, is amended to read:

Subd. 9. In consultation and agreement with the chief hearing examiner, the commissioner of administration shall, pursuant to authority vested in him by section 16.13, transfer from state agencies, such employees as he deems necessary to the state office of hearing examiners *administrative hearings*. Such action shall include the transfer of any state employee currently employed as a hearing examiner, if the employee qualifies under this section.

Sec. 31. Minnesota Statutes 1978, Section 15.1691, Subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIVE DATA.] *Data on persons including data on vendors of services, which is collected, maintained, used or disseminated by the welfare system in an investigation, authorized by statute and relating to the enforcement of rules or law, is confidential pursuant to section 15.162, subdivision 2a, and shall not be disclosed except:*

- (a) Pursuant to section 15.163;
- (b) Pursuant to statute or valid court order;
- (c) To a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

*After presentation in court, the data shall be public data on individuals to the extent reflected in court records.*

*The data referred to in this subdivision shall be classified as public data upon its submission to a hearing examiner or court in an administrative or judicial proceeding.*

Sec. 32. Minnesota Statutes 1978, Section 179.71, Subdivision 5, is amended to read:

Subd. 5. In addition to all other duties imposed by this section, the director shall:

(a) retain mediation jurisdiction over the parties for purposes of this subdivision until such time as the parties reach agreement; provided, however, he may continue to assist parties after the parties have submitted their final positions as provided or required under section 179.72, subdivision 6; or section 179.69, subdivision 6;

(b) issue notices, subpoenas and orders as may be required by law to carry out his duties under sections 179.61 to 179.77. Issuance of orders shall include those orders of the Minnesota public employment relations board;

(c) certify to the Minnesota public employment relations board those items of dispute between parties to be subject to the action of the Minnesota public employment relations board under section 179.69, subdivision 3;

(d) assist the parties in formulating petitions, notices, and other papers required to be filed with the director or the board;

(e) certify the final results of any election or other voting procedure conducted pursuant to sections 179.61 to 179.77;

(f) furnish clerical and administrative services to the Minnesota public employment relations board as may be required;

(g) adopt reasonable and proper rules and regulations relative to and regulating the forms of petitions, notices, orders and the conduct of hearings and elections subject to final approval of the Minnesota public employment relations board. Such rules and regulations shall be printed and made available to the public and a copy delivered with each notice of hearing; provided, that every such rule or regulation shall be filed with the secretary of state, and any change therein or additions thereto shall not take effect until 20 days after such filing;

(h) receive, catalogue and file in a logical manner all orders and decisions of the Minnesota public employment relations board and all arbitration panels authorized by sections 179.61 to 179.77 as well as all grievance arbitration decisions and the director's own orders and decisions. All orders and decisions catalogued and filed shall be made readily available to the public;

(i) promulgate a grievance procedure to effectuate the purposes of section 179.70, subdivision 1. Such grievance procedures shall not provide for the services of the bureau of mediation services. The exercise of authority granted by this clause shall be subject to the provisions of chapter 15; said grievance procedure to be available to any public employee employed in a unit not covered by a negotiated grievance procedure as contained in section 179.70, subdivision 1;

(j) conduct elections.

Sec. 33. Minnesota Statutes 1978, Section 179.72, Subdivision 3, is amended to read:

Subd. 3. In addition to the other powers and duties given it by law, the board has the following powers and duties:

(a) to hear and decide issues relating to the meaning of the terms "supervisory employee", "confidential employee", "essential employee" or "professional employee", as defined by section 179.63;

(b) to hear and decide appeals from determinations of the director relating to the appropriateness of a unit under section 179.67;

~~(c) to approve or disapprove the rules and regulations promulgated by the director under section 179.71, subdivision 5, clause (g);~~

~~(d) (c) to hear and decide on the record from determinations of the director relating to a fair share fee challenge decided under section 179.71, subdivision 2.~~

Sec. 34. Minnesota Statutes 1978, Section 268.12, Subdivision 3, is amended to read:

Subd. 3. [RULES, REGULATIONS.] Notwithstanding any inconsistent provision of law the commissioner is hereby authorized to adopt, amend, or rescind regulations as may be necessary for the administration of sections 268.03 to 268.24. Each proposed regulation, excepting those relating solely to the internal operation of the department, shall be published in one or more newspapers of general circulation in this state and be filed with the secretary of state prior to the time of publication. Any person or association desiring a copy of any proposed regulations shall file with the commissioner a written request therefor, containing his or its name and address. For a period of two years after the filing of such request the commissioner, at or prior to the time of any publication, shall mail to such person or association a copy of such proposed regulations. Each such proposed regulation, if theretofore approved by the attorney general as to form and legality, shall become final and effective 30 days after the publication thereof. Any employer, employee, or other person whose interest is or may be affected thereby may object to any such proposed regulation within ten days after publication thereof by filing with the commissioner a petition setting forth the grounds of objection to the proposed regulation and request a hearing thereon, whereupon a hearing shall thereafter be had before the commissioner or his duly authorized representative at a time and place designated by the commissioner or such representative after due notice of said hearing has been served by certified mail, upon the objecting party or parties not less than ten days before said hearing. In the event that the commissioner elects to amend such regulation after such hearing, then such amended regulation shall be filed with the secretary of state and a copy thereof mailed to each of the persons and associations who have filed a request for copies of proposed regulations as provided herein, and such amended regulation shall become effective five days after such filing and mailing. Judicial notice of any rule, regulation or order duly filed or published

*under the provisions of this subdivision shall be taken adopted pursuant to the provisions of chapter 15.*

Sec. 35. Minnesota Statutes 1978, Section 299A.03, Subdivision 8, is amended to read:

Subd. 8. [DISTRIBUTION OF GRANTS; APPROPRIATION.] The crime control planning board shall distribute money given to it for distribution for law enforcement or criminal justice purposes. All moneys received by the state from the federal government or any other sources for distribution by the crime control planning board are appropriated to the board. The board shall distribute money to state, regional and local agencies consistent with procedures, criteria and priorities which are promulgated by rule. To the extent that moneys to be distributed are federal moneys, the procedures, criteria and priorities shall be consistent with federal crime control acts and guidelines in respect to distribution of federal money. Before distributing money to a regional or local agency, the crime control planning board shall have determined that the activities to be funded will not be contrary to the state-wide comprehensive plan. Individual activities may be funded by the board, or it may elect to distribute money in a block grant to an agency for use in more than one approved activity. The board shall not fund an activity until it has approved a procedure for evaluation of the recipient agency's use of the money.

Sec. 36. *In the next and subsequent editions of Minnesota Statutes the revisor of statutes shall substitute the term "office of administrative hearings" for "office of hearing examiners" in every place where the latter term is used.*

Sec. 37. [REPEALER.] *Minnesota Statutes 1978, Sections 5.21 and 15.0423 are repealed.*

Sec. 38. [EFFECTIVE DATE.] *Sections 1, 2 and 31 shall be effective upon final enactment. Section 3 shall be effective on August 1, 1981. Section 7 shall be effective on September 1, 1980. Section 8 shall be effective on July 1, 1980. Any variance to a rule granted by an agency prior to the effective date of section 3 shall be valid notwithstanding the fact that the agency had not promulgated a rule governing the granting of variances at the time the variance was granted."*

Amend the title as follows:

Delete the title in its entirety and insert:

"A bill for an act relating to state government; changing certain administrative procedures; amending Minnesota Statutes 1978, Sections 3.965; 15.0412, Subdivisions 2, 4, 5, and by adding subdivisions; 15.0413, Subdivisions 1 and 2; 15.0418; 15.0419, Subdivisions 1, 2 and 4; 15.0422; 15.0424, Subdivisions 1, 2 and 6; 15.0425; 15.0426; 15.052, Subdivisions 1, 2, 4, 5, 7, 8 and 9; 15.1691, Subdivision 3; 179.71, Subdivision 5; 179.72, Subdivision 3; 268.12, Subdivision 3; 299A.03, Subdivision 8; and Minnesota Statutes, 1979 Supplement, Section 15.0411, Subdivision 2; repealing Minnesota Statutes 1978, Sections 5.21, and 15.0423."

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1955: A bill for an act relating to the arts; providing for a payment to the artist and to the board of the arts upon the sale of certain works of fine art; providing for the use of the payments by the board; authorizing an action for damages if a payment is not made; appropriating money.

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

Page 1, line 15, after "means" insert "a work of fine art including"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2110: A bill for an act relating to metropolitan government; providing for the maximum amount of the borrowing authorization of the metropolitan airports commission; amending Minnesota Statutes 1978, Section 473.667, Subdivision 2.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1679: A bill for an act relating to transportation; permitting certain exemptions from motor carrier reporting requirements; permitting establishment of driver qualifications and safety requirements for certain carriers; creating a single annual renewal date for holders of multiple permits; permitting issuance of "floater" identification cards to motor carriers; clarifying enforcement powers; amending Minnesota Statutes 1978, Sections 221.031; 221.131; and 221.221.

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

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 221.011, Subdivision 22, is amended to read:

Subd. 22. "Exempt carrier" means any carrier exempt from this chapter, or exempted from any other law or rule by the commissioner or commission. The following are so exempt *except as otherwise specifically provided in clause (c)*:

(a) Any person engaged in farming or in transporting agricultural, horticultural, dairy, livestock, or other farm products

within an area having a 25 mile radius from his home post office. Such carrier may transport other commodities within such area if the destination of each haul is a farm within the above described area. The owner of any truck operating under this provision shall imprint his name and address in prominent visible letters on the outside of the cab of his truck.

(b) Any occasional accommodation service beyond the 25 mile radius from his home post office by any person engaged in farming as his primary means of livelihood and actually residing on a farm and whose truck or trucks are licensed under provisions of section 168.013, subdivision 1c. Occasional accommodation service shall mean not in excess of six trips in any calendar year.

(c) Any person engaged in agricultural pursuits, who owns and uses a truck for transporting the products of his farm, or any person while engaged exclusively in the transportation of fresh vegetables from farms to canneries or viner stations, or from viner stations to canneries, or from canneries to canneries during the harvesting, canning or packing season, or potatoes, sugar beets, wild rice and rutabagas from the field of production to the first place of delivery or unloading, including but not limited to a processing plant, warehouse or railroad siding. This term shall also apply to a manufacturer, producer, dealer or distributor who, in the pursuit of his own business, owns and uses trucks for the purpose of transporting his own products, and shall apply to any person while engaged exclusively in the transportation of pulpwood, cord wood, mining timber, poles, posts, decorative evergreens, wood chips, sawdust, shavings and bark from the place where the products are produced to the point where they are to be used or shipped; *except that these manufacturers, producers, dealers or distributors transporting their own products and these persons engaged exclusively in the transportation of wood or wood products, together with any transporting vehicles licensed and registered for a gross vehicle weight of more than 10,000 pounds, shall be subject to the requirements of section 221.031 insofar as the provisions of that section apply to driver qualifications, maximum hours of service of drivers, and safety of operations and equipment.*

(d) Any person while exclusively engaged in the transportation of dirt and sod within an area having a 50 mile radius from his home post office.

(e) Any person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix or crushed rock to or from the point of loading or a place of gathering within an area having a 50 mile radius from his home post office or a 50 mile radius from the site of construction or maintenance of public roads and streets.

(f) Any person engaged in the transportation of household goods for the federal government or any agency thereof or the transportation of household goods for the state government or any agency thereof, where competitive bids are required by law shall be exempt from the provisions of section 221.161.

(g) Any person engaged in transporting property or freight, excepting household goods and petroleum products in bulk, when the movement is entirely within the corporate limits of a city or between contiguous cities.

(h) Emergency vehicles such as ambulances, tow trucks, and hearses when carrying proper and legal warning devices.

(i) Any person engaged in delivery or spreading of agricultural lime.

(j) Any person engaged in transporting rubbish as defined in section 443.27.

(k) Any person engaged in the transportation of grain samples under such terms and conditions as the commissioner or commission may prescribe.

(l) A motor vehicle, in this chapter referred to as a "commuter van," having a capacity of seven to 16 persons which is used principally to provide prearranged transportation of persons for a fee to or from their place of employment or to or from a transit stop authorized by a local transit authority which vehicle is to be operated by a person who does not drive the vehicle for his principal occupation but is driving it only to or from his principal place of employment, to or from a transit stop authorized by a local transit authority, or for personal use at other times by an authorized driver; provided, that commuter vans shall not be exempt from any provision of this chapter which by its terms explicitly applies to these vehicles."

Page 1, line 14, after "221.031," insert "Subdivision 1,"

Page 1, line 23, strike "therefor" and insert "*for the rules and regulations*"

Page 2, line 14, strike the semicolon and insert a period

Page 2, line 15, strike "provided, however, that any" and insert "A"

Page 2, line 19, strike "thereof" and before "the" insert "*of filing the report*"

Page 3, delete lines 3 to 17

Page 3, line 31, strike "thereof"

Page 4, line 3, strike "thereof" and insert "*of the 12 month period*"

Page 4, line 5, strike ", provided" and insert "*if the*"

Page 4, line 14, strike "good" and insert "*valid*"

Page 4, line 20, strike "thereof" and insert "*of the permit*"

Page 4, line 22, strike "same" and insert "*permit*"

Page 5, line 13, strike "hereto" and insert "*to chapter 221*"

Page 5, line 18, strike "anywhere"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "permitting establishment of" and insert "requiring"

Page 1, line 11, after "221.031" insert ", Subdivision 1"

Page 1, line 11, delete "and" and before the period insert "; and Minnesota Statutes, 1979 Supplement, Section 221.011, Subdivision 22"

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1981: A bill for an act relating to housing; appropriating money for American Indian housing.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 462A.21, Subdivision 4c, is amended to read:

Subd. 4c. It may establish a revolving loan fund and may make eligible loans, pursuant to subdivision 4b, to low and moderate income American Indians as provided in section 462A.07, subdivision 14 and may pay the costs and expenses necessary and incidental to the development and operation of such programs. *Any funds appropriated by the legislature for the purposes of this subdivision shall be allocated as follows: 64 percent of the appropriations shall be used in the development and operation of housing programs by the Minnesota Chippewa tribe; 30 percent of the appropriations shall be used in the development and operation of housing programs by the Red Lake band; six percent of the appropriations shall be used in the development and operation of housing programs by the Sioux communities.*

Sec. 2. *Subdivision 1. The sum of \$4,000,000 is appropriated from the general fund to the housing development fund created in Minnesota Statutes, Section 462A.20, for the purposes set forth in this act and for the payment of related costs and expenses.*

*Subd. 2. For the American Indians revolving fund provided in section 462A.21, subdivision 4c*

**\$2,665,000.**

*Subd. 3. For the urban American Indians revolving fund provided in section 462A.21, subdivision 4d*

**\$1,335,000."**

Amend the title as follows:

Page 1, line 3, before the period, insert “; amending Minnesota Statutes 1978, Section 462A.21, Subdivision 4c”

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2090: A bill for an act relating to transportation; allowing the use of certain documents as relevant evidence of exceeding vehicle weight limits; requiring record keeping for shipments unloaded; imposing civil penalties; amending Minnesota Statutes 1978, Chapter 169, by adding sections.

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

Page 2, line 1, after “document” insert “required to be kept under section 3”

Page 2, line 14, delete “that operates” and insert “which is operated”

Page 2, line 24, delete “ten” and insert “five”

Page 3, line 14, after the second “or” insert “a person who”

Page 3, line 15, after “volume” insert “measure”

Page 3, line 26, after the period insert “This subdivision also does not apply, at any time during the year, to a person who weighs a commodity for which a weight variance is permitted under section 169.83, subdivision 1, clause 3.”

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1957: A bill for an act relating to transportation; exempting certain substituted aircraft from payment of the aircraft registration tax; limiting refunds under certain circumstances; clarifying the penalty assessed for late payment of registration tax; amending Minnesota Statutes 1978, Sections 360.55, by adding a subdivision; and 360.61.

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

Page 2, line 18, strike “such” and insert “the”

Page 2, line 19, strike “thereof” and insert “within the state”

Page 2, line 22, strike “thereafter” and insert “after the aircraft first uses the air space or the airports”

Page 2, line 25, strike “thereafter”

Page 2, line 27, strike "thereafter" and insert "*after July 1 of that fiscal year,*"

Page 2, line 29, strike "Every" and insert "An"

Page 2, line 30, strike "any" and insert "a"

Page 2, line 32, strike the first "such" and insert "the"

Page 2, line 32, strike the second "such" and insert "the"

Page 2, line 33, strike "this act" and insert "*sections 360.511 to 360.67*"

Page 3, line 7, strike "such" and insert "the"

Page 3, line 8, strike "any" and insert "a"

Page 3, line 8, strike "thereof" and insert "*of that calendar month*"

Page 3, line 10, strike "thereafter"

Page 3, line 10, strike "any" and insert "a"

Page 3, line 10, strike "thereof" and insert "*of that additional month*"

Page 3, line 10, strike "such" and insert "the"

Page 3, line 11, strike "such" and insert "the"

Page 3, line 12, strike "such" and insert "the" in both instances

Page 3, line 15, strike the first "any"

Page 3, line 15, strike the second "any" and insert "a"

Page 3, line 16, strike the first "such" and insert "the"

Page 3, line 16, strike the second "such" and insert "a"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2088: A bill for an act relating to transportation; providing for statewide park and ride facilities; amending Minnesota Statutes 1978, Chapter 174, by adding sections; appropriating money.

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

Page 1, line 10, delete "GRANT"

Page 1, line 20, delete "such" and insert "highway"

Page 2, line 18, delete "from" and insert "of"

Page 2, line 21, delete "from" and insert "of"

Page 2, delete lines 25 to 29

Page 3, line 3, delete "state"

Page 3, line 4, after the first "program" insert "throughout the state"

Page 3, delete lines 9 through 11

Page 3, line 13, delete "clauses (a) and (b)" and insert "clause (a)"

Reletter the clauses in sequence

Page 4, line 8, delete "November 15, 1980" and insert "January 15, 1981"

Page 4, line 14, delete "acquired" and insert "in use"

Page 4, line 15, delete "acquired" and insert "in use"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "appropriating money;"

Page 1, line 5, delete "; appropriating money"

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

Mr. Anderson from the Committee on Energy and Housing, to which was re-referred

S. F. No. 657: A bill for an act relating to nuclear waste management and disposal; requiring certificates of feasibility; providing for administration by the Minnesota energy agency; providing for changes in rate base computations; providing penalties; amending Minnesota Statutes 1978, Section 216B.16, Subdivision 6.

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1930: A bill for an act relating to housing; providing the housing finance agency with authority to make grants and loans to certain sponsors of housing used for temporary shelter; appropriating money; amending Minnesota Statutes 1978, Sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1731: A bill for an act relating to trade secrets; enacting the uniform trade secrets act.

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

Page 1, line 6, after "[DEFINITIONS.] insert "Subdivision 1."

Page 1, line 6, delete "this act," and insert "sections 2 to 7, the terms defined in these sections have the meanings given them"

Page 1, line 8, delete "(1)"

Page 1, line 12, delete "(2)" and insert "Subd. 2."

Page 2, line 11, delete "(3)" and insert "Subd. 3."

Page 2, line 15, delete "(4)" and insert "Subd. 4."

Page 2, line 33, delete "a reasonable" and insert "(1) an equitable"

Page 3, line 2, before the period insert "; or (2) other compensation"

Page 3, line 12, delete "not"

Page 3, delete line 13 and insert "which the court deems just and equitable."

Page 3, line 21, delete "this act" and insert "sections 2 to 7"

Page 4, line 1, delete "This act displaces" and insert "Sections 2 to 7 displace"

Page 4, line 5, delete "This act does" and insert "Sections 2 to 7 do"

Page 4, line 11, delete "This act" and insert "Sections 1 to 8"

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

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

S. F. No. 1785: A bill for an act relating to game and fish; authorizing moose seasons in the discretion of the commissioner; amending Minnesota Statutes 1978, Section 100.27, Subdivision 2.

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

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

S. F. No. 1959: A bill for an act relating to natural resources; authorizing additional conservation officers; appropriating money.

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

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

S. F. No. 1979: A bill for an act relating to state forests; altering the boundaries of Badoura State Forest; amending Minnesota Statutes 1978, Section 89.021, Subdivision 2.

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

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

S. F. No. 1986: A bill for an act relating to historic sites and monuments; adding property to Split Rock Lighthouse historic site; reestablishing Traverse des Sioux historic site as a state monument; appropriating funds; amending Minnesota Statutes 1978, Sections 138.025, Subdivision 10; and 138.585, by adding a subdivision; repealing Minnesota Statutes 1978, Section 138.55, Subdivision 5.

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1995: A bill for an act relating to municipal industrial revenue bonds; providing for reports; amending Minnesota Statutes 1978, Chapter 474, by adding a section.

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

Page 1, line 9, before "Every" insert "Subdivision 1."

Page 1, line 10, after "report" insert "on a form prescribed by the state auditor"

Page 1, line 18, delete "and"

Page 1, after line 18, insert:

*"(3) The amount of bond proceeds used to purchase equipment, machinery and office furniture; and"*

Page 1, line 19, delete "(3)" and insert "(4)"

Page 2, line 4, after "auditor" insert ", on a form prescribed by the state auditor,"

Page 2, line 9, before the period, insert "for the prior calendar year"

Page 2, after line 20, insert:

*"Subd. 2. Each municipality which issues or authorizes the issuance of revenue bonds shall annually, on or before March 1,*

*submit a report to the state auditor, on a form prescribed by the state auditor, listing all revenue bonds issued or authorized to be issued by it during the preceding calendar year. The report shall include:*

*(1) The total cost of (a) underwriting fees, (b) legal fees, (c) bond consulting fees, and (d) all other charges associated with the authorization or issuance of the bonds;*

*(2) Any other relevant information as the auditor may require.*

*Each contracting party shall cooperate with the municipality or redevelopment authority in preparing the information required for the annual report.*

*The state auditor shall annually, on or before July 1, submit a report to the state legislature summarizing the reports received from municipalities or redevelopment authorities for the prior calendar year.*

*Subd. 3. Except as otherwise provided in this section, the cost of preparing the required reports shall be borne by the party preparing them."*

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 1633: A bill for an act relating to veterans; modifying the duties, authority and scope of operations of the department of veterans affairs; authorizing the commissioner of veterans affairs to accept uncompensated voluntary services; entitling uncompensated voluntary workers to the benefits of workers' compensation; providing for the appointment of the commissioner of veterans affairs as the guardian of an estate; revising the veterans home eligibility requirements; amending Minnesota Statutes 1978, Sections 196.05; 196.051; 197.06; 198.01; and Minnesota Statutes, 1979 Supplement, Section 176.011, Subdivision 9.

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

Page 1, line 27, delete "*if those volunteers, without reimbursement, could*" and insert a period

Page 2, delete line 1

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 769: A bill for an act relating to security guards; providing for the certification and training of security guards; setting forth criteria for the use of deadly force by security guards; pre-

scribing penalties; amending Minnesota Statutes 1978, Sections 326.32, by adding a subdivision; 326.33, Subdivision 1; 326.331; 326.332, Subdivision 1; 326.333; 326.336, Subdivisions 1 and 2, and by adding subdivisions; 326.337, Subdivision 1; and 326.338, Subdivision 2.

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

Page 6, line 18, before the period, insert "*in the performance of their duties*"

Page 7, line 9, before the period, insert "*by the employee while on duty*"

Page 7, line 13, delete "*uniformed employee*" and insert "*employee uniform*"

Page 11, line 12, delete "*such*" and insert "*the*"

Page 12, line 28, delete "*, to*" and insert "*and*"

Page 13, line 25, after "*provisions*" insert "*, except for the continuing program requirement of section 14,*"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

H. F. No. 1453: A bill for an act relating to retirement; authorizing payment of severance pay to retiring employees; validating past payments; amending Minnesota Statutes 1978, Section 356.24; and Minnesota Statutes, 1979 Supplement, Section 465.72.

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1825: A bill for an act relating to state government; permitting payroll deductions for the Minnesota Benefit Association; amending Minnesota Statutes 1978, Section 10.39, Subdivision 1.

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1985: A bill for an act relating to municipal industrial development; requiring consideration of certain policy matters; defining projects; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1b; and Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7a.

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1076: A bill for an act relating to banks; authorizing certain branch banks; permitting consolidation of banks in regions; amending Minnesota Statutes 1978, Sections 48.34 and 49.34.

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1922: A bill for an act relating to financial institutions; permitting banks or trust companies to invest up to 20 percent of their capital and surplus in certain agricultural credit corporations; amending Minnesota Statutes 1978, Section 48.61, Subdivision 1.

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1813: A bill for an act relating to mobile homes; permitting the sale of mobile homes from a residence; amending Minnesota Statutes 1978, Section 327.55, Subdivision 1.

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 2077: A bill for an act relating to interest; regulating rates of interest on loans for business and agricultural transactions; removing certain deficiencies and ambiguities; amending Minnesota Statutes, 1979 Supplement, Section 334.011, Subdivision 1.

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

Page 2, line 16, strike "residential purposes" and insert "*the borrower's residence*"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1900: A bill for an act relating to financial institutions; authorizing certain additional facilities for banks; amending Minnesota Statutes 1978, Section 47.52.

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

Page 2, line 15, delete "*provided*" and insert "*if the commissioner determines*"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2104: A bill for an act relating to state lands; changing the interest rate on unpaid sale balances; amending Minnesota Statutes 1978, Section 92.06, Subdivision 1.

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

Page 1, line 18, delete "*monthly index of the*" and insert "*rate in effect at time of the sale pursuant to section 47.20, subdivision 4,*"

Page 1, lines 19 and 20, delete the new language

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

Mr. Tennesen from the Committee on Commerce, to which was re-referred

S. F. No. 1703: A bill for an act relating to motor vehicles; providing for delivery of motor vehicle certificates of title to owners upon satisfaction of a security interest; amending Minnesota Statutes 1978, Section 168A.20, Subdivision 1.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2067: A bill for an act relating to motor vehicles; increasing the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act; amending Minnesota Statutes 1978, Section 168.72.

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

Mr. Gearty from the Committee on Elections, to which was referred the following appointment as reported in the Journal for February 21, 1980:

#### STATE ETHICAL PRACTICES BOARD

Elizabeth Ebbott

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for April 9, 1979:

**STATE BOARD OF INVESTMENT  
EXECUTIVE SECRETARY**

Jonathan P. White

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1322: A bill for an act relating to local government; providing for municipal planning; authorizing regulation of subdivisions; providing a penalty; amending Minnesota Statutes 1978, Sections 462.351; 462.352, by adding subdivisions; 462.355, Subdivision 4; 462.358, by adding subdivisions; repealing Minnesota Statutes 1978, Section 462.358, Subdivisions 1, 2, 3 and 4.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1978, Section 462.351, is amended to read:

462.351 [MUNICIPAL PLANNING AND DEVELOPMENT; STATEMENT OF POLICY.] The legislature finds that municipalities are faced with mounting problems in providing means of guiding future development of land so as to insure a safer, more pleasant and more economical environment for residential, commercial, industrial and public activities, *to preserve agricultural and other open lands*, and to promote the public health, safety, ~~morals~~ and general welfare. Municipalities can prepare for anticipated changes and by such preparations bring about significant savings in both private and public expenditures. Municipal planning, by providing public guides to future municipal action, enables other public and private agencies to plan their activities in harmony with the municipality's plans. Municipal planning will assist in developing lands more wisely to serve citizens more effectively, will make the provision of public services less costly, and will achieve a more secure tax base. It is the purpose of sections 462.351 to 462.364 to provide municipalities, in a single body of law, with the necessary powers and a uniform procedure for adequately conducting and implementing municipal planning.

Sec. 2. Minnesota Statutes 1978, Section 462.352, is amended by adding a subdivision to read:

*Subd. 12. "Subdivision" means the separation of an area, parcel, or tract of land under single ownership into two or more parcels, tracts, lots, or long-term leasehold interests necessitating the creation of streets, roads, or alleys, for residential, commercial, industrial, or other use or any combination thereof, except those separations:*

*(a) Where all the resulting parcels, tracts, lots, or interests will be 20 acres or larger in size and 500 feet in width for residential uses and five acres or larger in size for commercial and industrial uses;*

*(b) Creating cemetery lots;*

*(c) Resulting from court orders, or the adjustment of a lot line by the relocation of a common boundary.*

Sec. 3. Minnesota Statutes 1978, Section 462.352, is amended by adding a subdivision to read:

*Subd. 13. "Minor subdivision" means a subdivision involving the creation of four or fewer parcels, tracts, lots or leasehold interests.*

Sec. 4. Minnesota Statutes 1978, Section 462.352, is amended by adding a subdivision to read:

*Subd. 14. "Plat" means the drawing or map of a subdivision prepared for filing of record pursuant to chapter 505 and containing all elements and requirements set forth in applicable local regulations adopted pursuant to section 462.358 and chapter 505.*

Sec. 5. Minnesota Statutes 1978, Section 462.352, is amended by adding a subdivision to read:

*Subd. 15. "Subdivision regulation" means an ordinance adopted pursuant to section 462.358 regulating the subdivision of land.*

Sec. 6. Minnesota Statutes 1978, Section 462.352, is amended by adding a subdivision to read:

*Subd. 16. "Official controls" or "controls" means ordinances and regulations which control the physical development of a city, county or town or any part thereof or any detail thereof and implement the general objectives of the comprehensive plan. Official controls may include ordinances establishing zoning, subdivision controls, site plan regulations, sanitary codes, building codes and official maps.*

Sec. 7. Minnesota Statutes 1978, Section 462.352, is amended by adding a subdivision to read:

*Subd. 17. "Preliminary approval" means official action taken by a municipality on an application to create a subdivision which establishes the rights and obligations set forth in section 462.358 and the applicable subdivision regulation. In accordance with sec-*

*tion 462.358, and unless otherwise specified in the applicable subdivision regulation, preliminary approval may be granted only following the review and approval of a preliminary plat or other map or drawing establishing without limitation the number, layout, and location of lots, tracts, blocks, and parcels to be created, location of streets, roads, utilities and facilities, park and drainage facilities, and lands to be dedicated for public use.*

Sec. 8. Minnesota Statutes 1978, Section 462.355, Subdivision 4, is amended to read:

Subd. 4. [INTERIM ORDINANCE.] *If a municipality is conducting or in good faith intends to conduct studies within a reasonable time or has authorized a study to be conducted or has held or has scheduled a hearing for the purpose of considering adoption or amendment of a comprehensive plan or official controls as defined in section ~~473.852~~ 462.352, subdivision 16, or if new territory for which plans or controls have not been adopted is annexed to a municipality, the governing body of the municipality may adopt an interim ordinance applicable to all or part of its jurisdiction for the purpose of protecting the planning process and the health, safety and welfare of its citizens. The interim ordinance may regulate, restrict or prohibit any use or , development , or subdivision within the jurisdiction or a portion thereof for a period not to exceed one year from the date it is created effective , and may be renewed extended for one additional year such additional periods as the municipality may deem appropriate, not exceeding a total additional period of 18 months . No interim ordinance may halt, delay, or impede a subdivision which has been given preliminary approval prior to the effective date of the interim ordinance.*

Sec. 9. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

Subd. 1a. [AUTHORITY.] *To protect and promote the public health, safety, and general welfare, to provide for the orderly, economic, and safe development of land, to preserve agricultural lands, to promote the availability of housing affordable to persons and families of all income levels, and to facilitate adequate provision for transportation, water, sewage, storm drainage, schools, parks, playgrounds, and other public services and facilities, a municipality may by ordinance adopt subdivision regulations establishing standards, requirements, and procedures for the review and approval or disapproval of subdivisions. The regulations may contain varied provisions respecting, and be made applicable only to, certain classes or kinds of subdivisions. The regulations shall be uniform for each class or kind of subdivision.*

*A municipality may by resolution extend the application of its subdivision regulations to unincorporated territory located within two miles of its limits in any direction but not in a town which has adopted subdivision regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the subdivision of land equal distance from its boundaries within this area. However, if a municipality extends the application of its subdivision or zoning*

*regulations to unincorporated territory, upon the petition of any county board or town board affected by the subdivision or zoning regulations, a joint board shall be established consisting of a three-member committee with one member appointed from each of the municipal, town and county governing bodies. This joint board shall adopt zoning and subdivision regulations under Minnesota Statutes, Sections 462.351 to 462.364 for the entire area within two miles of the city located within a town, and designate one of the governing bodies to serve as the governing body and board of appeals and adjustment for purposes of sections 462.357 and 462.358 within the area. During the time before the joint board adopts subdivision regulations, the subdivision regulations which the municipality has extended shall apply.*

Sec. 10. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

*Subd. 2a. [TERMS OF REGULATIONS.] The standards and requirements in the regulations may address without limitation: the size, location, grading, and improvement of lots, structures, public areas, streets, roads, trails, walkways, curbs and gutters, water supply, storm drainage, lighting, sewers, electricity, gas, and other utilities; the planning and design of sites; access to solar energy; and the protection and conservation of flood plains, shore lands, soils, water, vegetation, energy, air quality, and geologic and ecologic features. The regulations shall require that subdivisions be consistent with the municipality's official map if one exists and its zoning ordinance, and may require consistency with other official controls and the comprehensive plan. The regulations may prohibit certain classes or kinds of subdivisions in areas where prohibition is consistent with the comprehensive plan and the purposes of this section, particularly the preservation of agricultural lands. The regulations may prohibit the issuance of building permits for any tracts, lots, or parcels for which required subdivision approval has not been obtained. The regulations may permit the municipality to condition its approval on the construction and installation of sewers, streets, electric, gas, drainage, and water facilities, and similar utilities and improvements or, in lieu thereof, on the receipt by the municipality of a cash deposit, certified check, irrevocable letter of credit, or bond in an amount and with surety and conditions sufficient to assure the municipality that the utilities and improvements will be constructed or installed according to the specifications of the municipality. The regulations may permit the municipality to condition its approval on compliance with other requirements reasonably related to the provisions of the regulations and to execute development contracts embodying the terms and conditions of approval. The municipality may enforce such agreements and conditions by appropriate legal and equitable remedies.*

Sec. 11. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

*Subd. 2b. [DEDICATION.] The regulations may require that a reasonable portion of any proposed subdivision be dedicated*

to the public or preserved for public use as streets, roads, sewers, electric, gas, and water facilities, and similar utilities and improvements. In addition, the regulations may require that a reasonable portion of any proposed subdivision be dedicated to the public or preserved for public use as parks, playgrounds, trails, open space, or storm water drainage and holding areas or ponds; provided that (a) the municipality may choose to accept an equivalent amount in cash from the applicant for part or all of the portion required to be dedicated to such public uses or purposes based on the fair market value of the land no later than at the time of final approval, (b) any cash payments received shall be placed in a special fund by the municipality used only for the purposes for which the money was obtained, (c) in establishing the reasonable portion to be dedicated, the regulations may consider the open space, park, recreational, or common areas and facilities which the applicant proposes to reserve for the subdivision, and (d) the municipality reasonably establishes that it will need to acquire that portion of land for the purposes stated in this subdivision as a result of approval of the subdivision.

Sec. 12. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

*Subd. 3a. [PLATTING.] The regulations may require that any subdivision creating parcels, tracts, or lots, shall be platted. The regulations shall require that all subdivisions which create five or more lots or parcels which are 2½ acres or less in size shall be platted. The regulations shall not conflict with the provisions of chapter 505 but may address subjects similar and additional to those in that chapter.*

Sec. 13. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

*Subd. 3b. [REVIEW PROCEDURES.] The regulations shall include provisions regarding the content of applications for proposed subdivisions, the preliminary and final review and approval or disapproval of applications, and the coordination of such reviews with affected political subdivisions and state agencies. The regulations may provide for the consolidation of the preliminary and final review and approval or disapproval of subdivisions. Preliminary or final approval may be granted or denied for parts of subdivision applications. The regulations may prescribe fees sufficient to defray the costs incurred by the municipality in the review and investigation of and actions upon such applications. The regulations may delegate the authority to review proposals to the planning commission, but final approval or disapproval shall be the decision of the governing body of the municipality unless otherwise provided by law or charter. The regulations shall require that a public hearing shall be held on all subdivision applications, except those minor subdivisions, prior to preliminary approval, unless otherwise provided by law or charter. The hearing shall be held following publication of notice of the time and place thereof in the official newspaper at least ten days be-*

fore the day of the hearing. At the hearing, all persons interested shall be given an opportunity to make presentations. A subdivision application shall be preliminarily approved or disapproved within 120 days, except a minor subdivision application shall be preliminarily approved or disapproved within 10 days following delivery by the applicant to the municipality of a completed application unless an extension of the review period has been agreed to by the applicant. When a division to which the regulations of the municipality do not apply is presented to the city, the clerk of the municipality must, within ten days of the date it is presented, certify that the subdivision regulations of the municipality do not apply to the particular division.

If the municipality or the responsible agency of the municipality fails to preliminarily approve or disapprove an application within the review period, the application shall be deemed preliminarily approved, and upon demand the municipality shall execute a certificate to that effect. Following preliminary approval the applicant may request final approval by the municipality, and upon such request the municipality shall certify final approval within 60 days if the applicant has complied with all conditions and requirements of applicable regulations and all conditions and requirements upon which the preliminary approval is expressly conditioned either through performance or the execution of appropriate agreements assuring performance. If the municipality fails to certify final approval as so required, and if the applicant has complied with all conditions and requirements, the application shall be deemed finally approved, and upon demand the municipality shall execute a certificate to that effect. The applicant shall be notified of the preliminary and final approval or disapproval of his application, and the action and reasons therefor shall be set forth in the proceedings of the municipality. The notice and proceedings shall identify the subdivision or parts thereof which have been preliminarily or finally approved and any requirements upon which such approval has been conditioned. After final approval a subdivision may be filed or recorded.

Sec. 14. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

Subd. 3c. [EFFECT OF SUBDIVISION APPROVAL.] For one year following preliminary approval and for two years following final approval, unless the subdivider and the municipality agree otherwise, no amendment to a comprehensive plan or official control shall apply to or affect the use, development density, lot size, lot layout, or dedication or platting required or permitted by the approved application. Thereafter, pursuant to its regulations, the municipality may extend the period by agreement with the subdivider and subject to all applicable performance conditions and requirements, or it may require submission of a new application unless substantial physical activity and investment has occurred in reasonable reliance on the approved application and the subdivider will suffer substantial financial damage as a consequence of a requirement to submit a new application. In connection with a subdivision involving planned and staged develop-

*ment, a municipality may by resolution or agreement grant the rights referred to herein for such periods of time longer than two years which it determines to be reasonable and appropriate.*

*The provisions of this subdivision may be applied by municipalities to subdivisions approved before April 1, 1945, if all the lots in the subdivision are encumbered and owned by one person or entity. Any municipality intending to so apply the provisions of this subdivision shall cause notice of its intention, including a description of the lands to which the application of the subdivision regulations is proposed, to be published in a newspaper of general circulation serving the municipality in which the subdivision regulations apply once each week for two consecutive weeks, and shall serve personal notice by certified mail at the last known address of the record owner of any interest in the lots in the subdivision. Thirty days after the last publication or the deposit of the certified letter with the postal authorities for delivery, whichever occurs later, the municipality may apply its subdivision regulations to subdivisions approved before April 1, 1945, which were described in the published notice unless within that period the record owner of the lands described in the published notice requests by certified mail to the city clerk of the municipality a public hearing on the applicability of the subdivision regulations, in which case a public hearing shall be held prior to the application of the regulations. The municipality shall within 30 days of the application of the subdivision regulations to subdivisions approved before April 1, 1945, make application to the district court pursuant to section 505.14 to vacate or alter all plats applicable to the land in question.*

Sec. 15. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

*Subd. 4a. [DISCLOSURE BY SELLER; BUYER'S ACTION FOR DAMAGES.] After the effective date of this section, any person conveying a new parcel of land which, or the plat for which, has not previously been filed or recorded, and which is part of or would constitute a subdivision to which adopted municipal subdivision regulations apply, shall attach to the instrument of conveyance either: (a) recordable certification by the clerk of the municipality that the subdivision regulations do not apply, or that the subdivision has been approved by the governing body, or that the restrictions on the division of taxes and filing and recording have been waived by resolution of the governing body of the municipality in this case because compliance will create an unnecessary hardship and failure to comply will not interfere with the purpose of the regulations; or (b) a statement which names and identifies the location of the appropriate municipal offices and advises the grantee that municipal subdivision and zoning regulations may restrict the use or restrict or prohibit the development of the parcel, or construction on it, and that the division of taxes and the filing or recording of the conveyance may be prohibited without prior recordable certification of approval, nonapplicability, or waiver from the municipality. In any action commenced by a buyer of such a parcel against the seller thereof, the misrepre-*

*sentation of or the failure to disclose material facts in accordance with this subdivision shall be grounds for damages. If the buyer establishes his right to damages, a district court hearing the matter may in its discretion also award to the buyer an amount sufficient to pay all or any part of the costs incurred in maintaining the action, including reasonable attorney fees, and an amount for punitive damages not exceeding five per centum of the purchase price of the land.*

Sec. 16. Minnesota Statutes 1978, Section 462.358, is amended by adding a subdivision to read:

*Subd. 4b. [MUNICIPALITY; INJUNCTION; FINES.] A municipality may enjoin a conveyance or transfer which would violate the provisions of subdivision 4a of this act. Any person who conveys a lot or parcel in violation of subdivision 4a or section 17 of this act shall forfeit and pay to the municipality a fine of not more than \$100. A municipality may recover the penalty by a civil action in a court of competent jurisdiction. The court may in its discretion award to the municipality an amount sufficient to pay all or any part of the costs incurred by the municipality in maintaining the action, including reasonable attorney fees.*

Sec. 17. Minnesota Statutes 1978, Section 462.36, Subdivision 1, is amended to read:

**462.36 [CERTIFIED COPIES FILED.]** Subdivision 1. **[REQUIRED DOCUMENTS.]** A certified copy of every municipal ordinance, resolution, map, or regulation adopted under the provisions of sections 462.358 and 462.359 and amendments thereto, together with a description of the lands to which they apply, shall be filed with the county recorder and auditor of the county or counties in which the municipality adopting it is and lands are located. Ordinances, resolutions, maps or regulations filed with the county recorder pursuant to this subdivision do not constitute encumbrances on real property.

Sec. 18. **[CONFLICT OF LAWS; APPLICABILITY.]** *Where and to the extent that a provision of a municipal ordinance adopted before the effective date of this act, is determined by the governing body of the municipality to conflict with the requirements of this act, the provision of the municipal ordinance shall govern until such time as the ordinance is amended to conform to this act or the effective date of this act, whichever occurs first, provided that this act shall not be construed to require a municipality to regulate subdivisions, or to regulate subdivisions to the maximum extent authorized by this act.*

Sec. 19. Minnesota Statutes 1978, Section 505.14, is amended to read:

**505.14 [VACATION.]** *Subdivision 1.* Upon the application of the owner of land included in any plat, and upon proof that all taxes assessed against such land have been paid, and the notice hereinafter provided for given, the district court may vacate or alter all, or any part, of such plat, and adjudge the title to all

streets, alleys, and public grounds to be in the persons entitled thereto; but streets or alleys connecting separate plats or lying between blocks or lots, shall not be vacated between such lots, blocks, or plats as are not also vacated, unless it appears that the street or alley or part thereof sought to be vacated is useless for the purpose for which it was laid out. The petitioner shall cause two weeks published and posted notice of such application to be given, the last publication to be at least ten days before the term at which it shall be heard; and the petitioner shall also serve personally, or cause to be served personally, notice of such application, at least ten days before the term at which the application shall be heard, upon the mayor of the city, the president of the statutory city, or the chairman of the town board of the town where such land is situated. The court shall hear all persons owning or occupying land that would be affected by the proposed vacation, and if, in the judgment of the court, the same would be damaged, the court may determine the amount of such damage and direct its payment by the applicant before the vacation or alteration shall take effect. A certified copy of the order of the court shall be filed with the county auditor, and recorded by the county recorder. The district court shall not vacate or alter any street, alley, or public ground dedicated to the public use in or by any such plat in any city or town organized under a charter or special law which provides a method of procedure for the vacation of streets and public grounds by the municipal authorities of such city or town.

*Subd. 2. [VACATION BY MUNICIPALITY.] A municipality acting pursuant to section 462.358, subdivision 3c, shall make application to the district court to vacate all plats of lands to which the municipality has applied its subdivision regulations. The municipality shall cause notice to be personally served upon the owner and lien holders of any interest in the lands to which the subdivision regulations have been applied in lieu of the notice to the governmental officials required by subdivision 1.*

*Sec. 20. Minnesota Statutes 1978, Sections 462.352, Subdivision 4; and 462.358, Subdivisions 1, 2, 3 and 4, are repealed."*

Amend the title as follows:

Page 1, line 7, after the second semicolon, insert "462.36, Subdivision 1; 505.14;"

Page 1, line 8, delete "Section" and insert "Sections 462.352, Subdivision 4; and"

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

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1707, 1921, 1615, 1708, 1892, 1796, 1716, 1613, 1811, 1751, 1541, 2095, 1732 and 1903 makes the following report:

That the above Senate Files, with the exception of S. F. No. 1921, be placed on the General Orders Calendar in the order indicated.

That S. F. No. 1921 is being retained in the Subcommittee.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1837, 2040, 2102, 2131, 1581, 1588, 978, 1818, 1536, 1358, 1700, 1662, 1493, 1579, 2122, 1188, 1889, 1187, 1937, 1810, 1798, 1797, 2110, 1679, 2090, 1957, 657, 1731, 1785, 1979, 1995, 1633, 769, 1825, 1985, 1076, 1922, 1813, 2077, 1900, 2104, 1703, 2067 and 1322 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 874 and 1453 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mrs. Staples moved that the name of Mr. Lewis be stricken and Mr. Stern be added as co-author to S. F. No. 723. The motion prevailed.

Mr. Davies moved that the names of Mrs. Brataas, Messrs. Hanson, Johnson and Ulland, J. be added as co-authors to S. F. No. 1398. The motion prevailed.

Mr. Solon moved that the name of Mr. Perpich be added as co-author to S. F. No. 1449. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Knoll be added as co-author to S. F. No. 1459. The motion prevailed.

Mr. Davies moved that the name of Mr. Strand be added as chief author to S. F. No. 1644. The motion prevailed.

Mr. Nichols moved that the name of Mr. Stumpf be added as co-author to S. F. No. 1737. The motion prevailed.

Mr. Merriam moved that the name of Mr. Ulland, J. be added as co-author to S. F. No. 1789. The motion prevailed.

Mr. Laufenburger moved that his name be stricken and Mr. Nichols be added as co-author to S. F. No. 1840. The motion prevailed.

Mr. Sieloff moved that the name of Mr. Merriam be added as co-author to S. F. No. 1865. The motion prevailed.

Mr. Ueland, A. moved that the names of Messrs. Chmielewski and Olson be added as co-authors to S. F. No. 1977. The motion prevailed.

Mr. Sikorski moved that the name of Mr. Ulland, J. be added as co-author to S. F. No. 2046. The motion prevailed.

Mr. Hanson moved that the name of Mr. Johnson be added as co-author to S. F. No. 2227. The motion prevailed.

Mr. Setzepfandt moved that the name of Mr. Menning be added as co-author to S. F. No. 2249. The motion prevailed.

Mr. Peterson introduced—

Senate Resolution No. 48: A Senate resolution relating to extending congratulations to Janet Karvonen who on Monday, February 25, 1980, set a new state high school record for most points scored in a career.

Referred to the Committee on Rules and Administration.

Mr. Dieterich moved that S. F. No. 2169 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Laufenburger, from the Committee on Mileage, moved to amend the report of the Committee on Mileage found in the Journal for Tuesday, January 23, 1979 on pages 112-114 and January 22, 1980 as follows:

On page 113 delete: "Schrom, Ed 191"

On page 113 after "Olson" insert: "*Omann, Ben 183*"

The motion prevailed.

Mr. Keefe, S. moved that S. F. No. 1581 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Finance. The motion prevailed.

#### CONFIRMATION

Mr. Wegener moved that the report from the Committee on Local Government, reported March 3, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Wegener moved that the foregoing report be now adopted. The motion prevailed.

Mr. Wegener moved that in accordance with the report from the Committee on Local Government, reported March 3, 1980, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### MINNESOTA MUNICIPAL BOARD

Robert J. Ferderer, 440 East Hoyt Street, St. Paul, Ramsey County, effective August 31, 1979, for a term expiring June 30, 1985.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Mr. Anderson moved that the report from the Committee on Energy and Housing, reported March 3, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Anderson moved that the foregoing report be now adopted. The motion prevailed.

Mr. Anderson moved that in accordance with the report from the Committee on Energy and Housing, reported March 3, 1980, the Senate, having given its advice, do now consent to and confirm the appointments of:

**MINNESOTA HOUSING FINANCE AGENCY**

Shirley Van Dyck, Route 2, Box 30, Cass Lake, Cass County, effective January 7, 1980, for a term expiring the first Monday in January, 1984.

Robert A. Worthington, 10326 Colorado Road, Bloomington, Hennepin County, effective March 30, 1979, for a term expiring the first Monday in January, 1983.

The motion prevailed. So the appointments were confirmed.

**CALENDAR**

S. F. No. 507: A bill for an act relating to taxation; providing for a levy apportionment for certain jurisdictions upon an assessment level differential greater than five percent; amending Minnesota Statutes 1978, Section 270.12, Subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Omann	Sillers
Ashbach	Gearty	Laufenburger	Penny	Solon
Bang	Gunderson	Lessard	Perpich	Spear
Barrette	Hanson	Luther	Peterson	Staples
Benedict	Hughes	McCutcheon	Pillsbury	Stern
Bernhagen	Jensen	Menning	Purfeerst	Strand
Brataas	Johnson	Merriam	Renneke	Stumpf
Chmielewski	Keefe, J.	Moe	Rued	Ueland, A.
Coleman	Keefe, S.	Nelson	Schaaf	Ulland, J.
Davies	Kirchner	Nichols	Schmitz	Wegener
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Willet
Dunn	Knaak	Olhoft	Sieloff	
Engler	Knoll	Olson	Sikorski	

So the bill passed and its title was agreed to.

S. F. No. 1728: A bill for an act relating to witnesses; exempting parents and minors from testifying with respect to confidential communications made by the minor to parent; amending Minnesota Statutes 1978, Section 595.02.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lessard	Penny	Solon
Barrette	Hughes	Luther	Perpich	Spear
Coleman	Johnson	Merriam	Peterson	Staples
Davies	Keefe, S.	Moe	Purfeerst	Stern
Dieterich	Kleinbaum	Nelson	Schaaf	Stumpff
Dunn	Knoll	Olhoft	Setzpfandt	Tennessee
Gearty	Knutson	Olson	Sikorski	Wegener

Those who voted in the negative were:

Ashbach	Engler	Knaak	Omann	Sillers
Bang	Frederick	Laufenburger	Pillsbury	Strand
Benedict	Gunderson	McCutcheon	Renneke	Ueland, A.
Bernhagen	Jensen	Menning	Rued	Ulland, J.
Brataas	Keefe, J.	Nichols	Schmitz	Willet
Chmielewski	Kirchner	Ogdahl	Sieloff	

So the bill passed and its title was agreed to.

S. F. No. 523: A bill for an act relating to highway traffic regulations; limiting the length of certain vehicles and combinations of vehicles; prescribing a fee for certain permits; amending Minnesota Statutes 1978, Section 169.81, Subdivision 3, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Olson	Sieloff
Ashbach	Gunderson	Laufenburger	Omann	Sikorski
Bang	Hanson	Lessard	Penny	Sillers
Barrette	Hughes	Luther	Perpich	Solon
Benedict	Jensen	McCutcheon	Peterson	Staples
Bernhagen	Johnson	Menning	Pillsbury	Stern
Brataas	Keefe, J.	Merriam	Purfeerst	Strand
Chmielewski	Keefe, S.	Moe	Renneke	Stumpff
Coleman	Kirchner	Nelson	Rued	Ueland, A.
Dunn	Kleinbaum	Nichols	Schaaf	Ulland, J.
Engler	Knaak	Ogdahl	Schmitz	Wegener
Frederick	Knoll	Olhoft	Setzpfandt	Willet

Messrs. Davies, Dieterich, Spear and Tennessee voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1709: A bill for an act relating to corrections; providing for licensing of correctional facilities; regulating inmate

earnings; providing for the investment of money in the correctional industries revolving account; authorizing the commissioner of corrections to amend 11 MCAR, Sections 2.402 to 2.403; amending Minnesota Statutes 1978, Sections 241.021, Subdivision 1; 243.24, Subdivision 1; 243.88, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 241.27, Subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Omann	Sillers
Ashbach	Gearty	Laufenburger	Penny	Solon
Bang	Gunderson	Lessard	Perpich	Spear
Barrette	Hanson	Luther	Peterson	Staples
Benedict	Hughes	McCutcheon	Pillsbury	Stern
Bernhagen	Jensen	Menning	Purfeerst	Strand
Brataas	Johnson	Merriam	Renneke	Stumpf
Chmielewski	Keefe, J.	Moe	Rued	Tennessee
Coleman	Keefe, S.	Nelson	Schaaf	Ueland, A.
Davies	Kirchner	Nichols	Schmitz	Ulland, J.
Dieterich	Kleinbaum	Ogdahl	Setzpfandt	Wegener
Dunn	Knaak	Olhoff	Sieloff	Willet
Engler	Knoll	Olson	Sikorski	

So the bill passed and its title was agreed to.

S. F. No. 1789: A bill for an act relating to taxation; estate tax; making technical adjustments and clarifying certain provisions; amending Minnesota Statutes 1978, Sections 290.077, Subdivision 4; 291.07, Subdivision 3; 291.111, Subdivision 2; 291.15; 291.18; 291.32, Subdivision 1; 291.33, by adding a subdivision; 501.211, Subdivision 3, and by adding a subdivision; 524.3-505; 524.3-1003; 525.532, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; 290.14; 291.005, Subdivision 1; 291.01; 291.015; 291.03; 291.05; 291.051; 291.06; 291.07, Subdivision 1; 291.075; 291.09, Subdivisions 1a and 4a; 291.11, Subdivision 1; 291.132; 291.14; 291.215, Subdivision 1; 291.33, Subdivision 1; 291.48; 524.3-105; and 524.3-1001; repealing Minnesota Statutes 1978, Sections 291.17; 291.19, Subdivisions 1, 2 and 4; 291.20, Subdivision 4; and Minnesota Statutes, 1979 Supplement, Sections 291.111, Subdivision 1; and 291.19, Subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Barrette	Brataas	Davies	Engler
Ashbach	Benedict	Chmielewski	Dieterich	Frederick
Bang	Bernhagen	Coleman	Dunn	Gunderson

Hanson	Knutson	Ogdahl	Rued	Stern
Hughes	Laufenburger	Olhoff	Schaaf	Strand
Jensen	Lessard	Olson	Schmitz	Stumpf
Johnson	Luther	Omann	Setzepfandt	Tennessee
Keefe, J.	McCutcheon	Penny	Sieloff	Ueland, A.
Keefe, S.	Menning	Perpich	Sikorski	Ulland, J.
Kirchner	Merriam	Peterson	Sillers	Wegener
Kleinbaum	Moe	Pillsbury	Solon	Willet
Knaak	Nelson	Purfeerst	Spear	
Knoll	Nichols	Renneke	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1734: A bill for an act relating to agriculture; re-naming the livestock sanitary board; repealing obsolete language; regulating treatment of diseased animals; eliminating certain local boards; providing a penalty; amending Minnesota Statutes 1978, Sections 17A.04, Subdivision 6; 29.051; 29.061; 29.081; 35.01, Subdivisions 1 and 2; 35.02, Subdivision 1; 35.03; 35.05; 35.06; 35.063; 35.065; 35.08; 35.09; 35.10; 35.11; 35.12; 35.13; 35.15; 35.16; 35.245; 35.67; 35.68; 35.695; 35.70, Subdivisions 1, 3 and 4; 35.71, Subdivisions 3 and 7; 35.81; 35.82; 35.822; 35.830; 35.831; 346.26; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; and 347.39; repealing Minnesota Statutes 1978, Sections 35.01, Subdivisions 3, 4, 5, 6 and 7; 35.07; 35.131; 35.132; 35.133; 35.134; 35.135; 35.136; 35.137; 35.17; 35.18; 35.19; 35.20; 35.21; 35.22; 35.23; 35.24; 35.25; 35.26; 35.27; 35.28; 35.29; 35.30; 35.31; 35.32; 35.33; 35.34; 35.35; 35.40; 35.41; 35.42; 35.43; 35.44; 35.45; 35.46; 35.47; 35.48; 35.49; 35.50; 35.51; 35.55; 35.56; 35.57; 35.58; 35.60; 35.605; 35.70, Subdivisions 2, 5, 6 and 8; 35.73, Subdivision 2; and 35.821, Subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Solon
Ashbach	Gearty	Laufenburger	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Strand
Bernhagen	Jensen	Merriam	Renneke	Stumpf
Brataas	Johnson	Moe	Rued	Tennessee
Chmielewski	Keefe, J.	Nelson	Schaaf	Ueland, A.
Coleman	Keefe, S.	Nichols	Schmitz	Ulland, J.
Davies	Kirchner	Ogdahl	Setzepfandt	Wegener
Dieterich	Kleinbaum	Olhoff	Sieloff	Willet
Dunn	Knaak	Olson	Sikorski	
Engler	Knoll	Omann	Sillers	

So the bill passed and its title was agreed to.

S. F. No. 1842: A bill for an act relating to agriculture; requiring denaturing and labeling of certain foods; adopting certain federal food regulations; striking certain obsolete language; changing certain procedures; amending Minnesota Statutes 1978, Sections

31.02; and 218.041, Subdivisions 3 and 4; and Minnesota Statutes, 1979 Supplement, Section 31.101, Subdivision 8; and 231.01, Subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Penny	Spear
Ashbach	Gunderson	Lessard	Perpich	Staples
Bang	Hanson	Luther	Peterson	Stern
Barrette	Hughes	McCutcheon	Pillsbury	Strand
Benedict	Jensen	Menning	Purfeerst	Stumpf
Bernhagen	Johnson	Merriam	Renneke	Tennessee
Brataas	Keefe, J.	Moe	Rued	Ueland, A.
Chmielewski	Keefe, S.	Nelson	Schaaf	Ulland, J.
Davies	Kirchner	Nichols	Schmitz	Wegener
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Willet
Dunn	Knaak	Olhoft	Sieloff	
Engler	Knoll	Olson	Sikorski	
Frederick	Knutson	Omann	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1802: A bill for an act relating to foreign corporations; removing certain deficiencies and ambiguities; defining certain activities that do not constitute transacting business in the state; and removing limitations on engaging in the business of making real estate loans; amending Minnesota Statutes 1978, Sections 303.02, Subdivision 3; 303.03; 303.04; and 303.25.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Penny	Solon
Ashbach	Gunderson	Lessard	Perpich	Spear
Bang	Hanson	Luther	Peterson	Staples
Barrette	Hughes	McCutcheon	Pillsbury	Stern
Benedict	Jensen	Menning	Purfeerst	Stokowski
Bernhagen	Johnson	Merriam	Renneke	Strand
Brataas	Keefe, J.	Moe	Rued	Stumpf
Chmielewski	Keefe, S.	Nelson	Schaaf	Tennessee
Davies	Kirchner	Nichols	Schmitz	Ueland, A.
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Knaak	Olhoft	Sieloff	Wegener
Engler	Knoll	Olson	Sikorski	Willet
Frederick	Knutson	Omann	Sillers	

So the bill passed and its title was agreed to.

S. F. No. 1605: A bill for an act relating to elections; providing for a place on tax forms to indicate a desire not to allocate state

money to finance election campaigns; amending Minnesota Statutes 1978, Section 10A.31, Subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Solon
Ashbach	Gearty	Lessard	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Jensen	Merriam	Renneke	Strand
Brataas	Johnson	Moe	Rued	Stumpf
Chmielewski	Keefe, J.	Nelson	Schaaf	Ueland, A.
Coleman	Kirchner	Nichols	Schmitz	Ulland, J.
Davies	Kleinbaum	Ogdahl	Setzepfandt	Wegener
Dieterich	Knaak	Olhoff	Sieloff	Willet
Dunn	Knoll	Olson	Sikorski	
Engler	Knutson	Omann	Sillers	

Mr. Keefe, S. voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 407: A bill for an act relating to regional development commissions; requiring a report on the commission's effectiveness; providing procedures for terminating commissions; amending Minnesota Statutes 1978, Section 462.393; and Chapter 462, by adding a section.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Peterson	Stern
Ashbach	Gunderson	Luther	Pillsbury	Stokowski
Bang	Hanson	McCutcheon	Purfeerst	Strand
Barrette	Hughes	Menning	Renneke	Stumpf
Benedict	Jensen	Moe	Rued	Tennessee
Bernhagen	Johnson	Nelson	Schaaf	Ueland, A.
Brataas	Keefe, J.	Nichols	Schmitz	Ulland, J.
Chmielewski	Kirchner	Ogdahl	Setzepfandt	Wegener
Coleman	Kleinbaum	Olhoff	Sieloff	Willet
Davies	Knaak	Olson	Sikorski	
Dunn	Knoll	Omann	Sillers	
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Staples	

Messrs. Dieterich; Keefe, S. and Merriam voted in the negative.

So the bill passed and its title was agreed to.

#### GENERAL ORDERS

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

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

S. F. Nos. 1759, 1653 and 1725, which the committee recommends to pass.

S. F. No. 1573, which the committee recommends to pass with the following amendment offered by Mr. McCutcheon:

Page 1, line 9, delete "located in the area,"

Page 1, delete line 10

Page 1, line 11, delete "Subdivision 2,"

Amend the title as follows:

Page 1, line 2, delete "certain"

The motion prevailed. So the amendment was adopted.

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, March 10, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTY-FIFTH DAY

St. Paul, Minnesota, Monday, March 10, 1980

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

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Engler	Knaak	Perpich	Spear
Ashbach	Frederick	Knutson	Peterson	Stern
Bang	Gearty	Luther	Pillsbury	Stokowski
Barrette	Gunderson	McCutcheon	Purfeerst	Strand
Benedict	Hanson	Menning	Rued	Stumpf
Bernhagen	Hughes	Merriam	Schaaf	Tennessee
Brataas	Jensen	Moe	Setzepfandt	Ueland, A.
Coleman	Johnson	Nelson	Sikorski	Vega
Davies	Keefe, S.	Olhoft	Sillers	Willet
Dunn	Kirchner	Omann	Solon	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Roger Carroll.

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

Anderson	Frederick	Laufenburger	Penny	Solon
Ashbach	Gearty	Lessard	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Jensen	Merriam	Renneke	Strand
Brataas	Johnson	Moe	Rued	Stumpf
Chmielewski	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knutson	Omann	Sillers	Willet

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Humphrey and Knoll were excused from the Session of today. Mr. Penny was excused from the Session of today from 10:00 to 11:00 o'clock a.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Knutson, by request, introduced—

S. F. No. 2319: A bill for an act relating to local government; permitting units to contract with each other for police service; amending Minnesota Statutes 1978, Section 436.05.

Referred to the Committee on Local Government.

Mr. Benedict introduced—

S. F. No. 2320: A bill for an act relating to game and fish; requiring field identification of big game licensees; amending Minnesota Statutes 1978, Section 98.46, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Johnson introduced—

S. F. No. 2321: A bill for an act relating to public utilities; prohibiting advance billing for gas or electric service.

Referred to the Committee on Commerce.

Mr. Olhofft introduced—

S. F. No. 2322: A bill for an act relating to real property; providing for certification of taxes paid before recording instruments; amending Minnesota Statutes 1978, Sections 272.14; 508.47, Subdivision 4; and Chapter 272, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 272.12.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S. F. No. 2323: A bill for an act relating to taxation; restricting the allowance of abortion expenses as a medical deduction for income tax purposes; amending Minnesota Statutes 1978, Section 290.09, Subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Nichols introduced—

S. F. No. 2324: A bill for an act relating to public utilities; re-

moving municipal utilities from public service commission jurisdiction and granting an option in regard thereto; amending Minnesota Statutes 1978, Section 216B.11; and Chapter 216B, by adding a section; repealing Minnesota Statutes 1978, Sections 216B.10, Subdivision 6; 216B.12, Subdivision 2; and 216B.13, Subdivision 2.

Referred to the Committee on Commerce.

Messrs. Sillers and Knutson introduced—

S. F. No. 2325: A bill for an act relating to crimes; creating a new category of offense for criminal negligence; reclassifying criminal negligence in degrees; providing for revocation of drivers' licenses; prescribing penalties; amending Minnesota Statutes 1978, Sections 169.11; 171.17; 609.21; and Chapter 609, by adding sections.

Referred to the Committee on Judiciary.

Messrs. Sieloff, Rued and Knutson introduced—

S. F. No. 2326: A bill for an act relating to taxation; abolishing the minimum tax on tax preference income; repealing Minnesota Statutes, 1979 Supplement, Section 290.091.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Wegener and Dunn introduced—

S. F. No. 2327: A bill for an act relating to retirement; authorizing the purchase of prior service credit in the public employees retirement association by a certain county commissioner.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf, McCutcheon and Sieloff introduced—

S. F. No. 2328: A bill for an act relating to retirement; correcting gender references in the St. Paul police retirement law; amending Laws 1955, Chapter 151, Sections 1, Subdivision 5, as amended; 3, Subdivision 2; 13, as amended; and 16.

Referred to the Committee on Governmental Operations.

Mr. Knutson introduced—

S. F. No. 2329: A bill for an act relating to public welfare; directing the commissioner of public welfare to establish and maintain personnel standards on a merit basis for certain employees of county boards, county welfare boards, and human services boards; amending Minnesota Statutes 1978, Chapter 256, by adding a section.

Referred to the Committee on Health, Welfare and Corrections.

**Mr. Stumpf introduced—**

**S. F. No. 2330: A bill for an act relating to the state ceremonial building; creating the state ceremonial building board; amending Minnesota Statutes 1978, Section 16.872.**

**Referred to the Committee on Governmental Operations.**

**Messrs. Tennesen and Spear introduced—**

**S. F. No. 2331: A bill for an act relating to children; establishing a photographic state adoption exchange; requiring certain children to be listed on the exchange; appropriating money.**

**Referred to the Committee on Health, Welfare and Corrections.**

**Mr. Keefe, S. introduced—**

**S. F. No. 2332: A bill for an act relating to taxation; providing that local taxes on admissions and amusements shall not apply to admissions to premises of and events sponsored by arts organizations.**

**Referred to the Committee on Taxes and Tax Laws.**

**Messrs. Tennesen; Bang; Dieterich; Keefe, S. and Nichols introduced—**

**S. F. No. 2333: A bill for an act relating to financial institutions; authorizing the acquisition of a bank or trust company located in this state by a foreign bank holding company under certain prescribed conditions; defining terms.**

**Referred to the Committee on Commerce.**

**Messrs. Dunn, Nichols and Wegener introduced—**

**S. F. No. 2334: A bill for an act relating to waters; prescribing certain procedures related to water appropriation permits; setting a penalty; amending Minnesota Statutes 1978, Sections 105.41, Subdivisions 1a and 5; and 105.416, Subdivision 3.**

**Referred to the Committee on Agriculture and Natural Resources.**

**Messrs. Schmitz and Engler introduced—**

**S. F. No. 2335: A bill for an act relating to metropolitan government; permitting loans from the metropolitan council to purchase highway rights-of-way; appropriating money; amending Minnesota Statutes 1978, Chapter 473, by adding a section.**

**Referred to the Committee on Governmental Operations. Mr. Stern questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.**

**Mr. Johnson introduced—**

**S. F. No. 2336: A bill for an act relating to retirement; extending coverage in the public employees retirement association to certain employees; amending Minnesota Statutes, 1979 Supplement, Section 353.01, Subdivision 2a.**

**Referred to the Committee on Governmental Operations.**

**Mr. Olhoft introduced—**

**S. F. No. 2337: A bill for an act relating to appropriations; providing a reimbursement to the city of Fergus Falls for local improvements that benefit state property.**

**Referred to the Committee on Finance.**

**Mr. Olhoft introduced—**

**S. F. No. 2338: A bill for an act relating to zoning; providing for notice of hearings; changing notice provisions for variance hearings; amending Minnesota Statutes 1978, Section 394.26, Subdivision 2.**

**Referred to the Committee on Local Government.**

**Mr. Peterson introduced—**

**S. F. No. 2339: A bill for an act relating to retirement; fiduciary duties and liabilities for the administration of all public employee pension funds; providing penalties; repealing Minnesota Statutes 1978, Section 352.03, Subdivision 7.**

**Referred to the Committee on Governmental Operations.**

**Mr. Ashbach, by request, introduced—**

**S. F. No. 2340: A bill for an act relating to local government; providing for public dedications in land subdivisions; amending Minnesota Statutes 1978, Section 462.358, Subdivision 2.**

**Referred to the Committee on Local Government.**

**Mr. Willet introduced—**

**S. F. No. 2341: A bill for an act relating to highway traffic regulations; including a constable within the meaning of the definition of peace officer in the implied consent law; amending Minnesota Statutes 1978, Section 169.123, Subdivision 1.**

**Referred to the Committee on Transportation.**

**Messrs. Dunn, Bernhagen, Willet, Olson and Omann introduced—**

S. F. No. 2342: A bill for an act relating to pollution; providing for a pilot pollution control project in the pollution control agency; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Luther, Strand, Merriam, Anderson and Knutson introduced—

S. F. No. 2343: A bill for an act relating to education; imposing duties on certain test agencies; providing a penalty for failure to perform the duties.

Referred to the Committee on Education.

Mr. Setzepfandt introduced—

S. F. No. 2344: A bill for an act relating to the city of Redwood Falls; authorizing the issuance of general obligation revenue bonds to finance improvements to the electric utility of the city.

Referred to the Committee on Local Government.

Mr. Moe introduced—

S. F. No. 2345: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Knutson introduced—

S. F. No. 2346: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession and furnishing; amending Minnesota Statutes 1978, Sections 340.02, Subdivision 8; 340.035, Subdivision 1; 340.119, Subdivision 2; 340.13, Subdivision 12; 340.403, Subdivision 3; 340.73, Subdivision 1; 340.731; 340.78; 340.79; 340.80; and 340.81.

Referred to the Committee on Judiciary.

Mr. Knutson introduced—

S. F. No. 2347: A bill for an act relating to real estate; providing for a state land registration assurance fund; combining the tax forfeited land assurance account with the land registration assurance fund; eliminating separate county assurance funds; appropriating money; amending Minnesota Statutes 1978, Sections 284.28, Subdivisions 8, 9 and 10; 508.75; 508.77; 508.79; 508.82; and 508.83.

Referred to the Committee on Judiciary.

Mr. Davies introduced—

S. F. No. 2348: A bill for an act relating to family; providing that natural parents may obtain a copy of an adopted child's original birth certificate; allowing parents ten days to revoke consent to adoption; providing a pre-adoption residency of three months; amending Minnesota Statutes 1978, Sections 144.218, Subdivision 1; 144.225, Subdivision 2; 259.24, Subdivision 5, and by adding a subdivision; 259.25, Subdivision 1, and by adding a subdivision; and 259.27, Subdivision 4; repealing Minnesota Statutes, 1979 Supplement, Sections 259.24, Subdivision 6; and 259.25, Subdivision 2.

Referred to the Committee on Judiciary.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 482.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1980

Mr. President:

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

S. F. No. 1010: A bill for an act relating to elections; regulating the financing of political campaigns and disclosure of economic interests by certain candidates and elected officials in Hennepin County; imposing duties on the ethical practices board, county election officials and city clerks; superseding other special laws, home rule charters and local ordinances; imposing late filing fees and criminal penalties; repealing Laws 1977, Chapter 131.

Senate File No. 1010 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S. F. No. 1010 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1010 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Johnson	Nelson	Schmitz	Stokowski
Benedict	Keefe, S.	Nichols	Setzepfandt	Strand
Coleman	Laufenburger	Olhoff	Sieloff	Stumpf
Dieterich	Luther	Olson	Sikorski	Tennessee
Gearty	McCutcheon	Perpich	Solon	Vega
Gunderson	Menning	Peterson	Spear	Wegener
Hanson	Merriam	Purfeerst	Staples	Willet
Hughes	Moe	Schaaf	Stern	

Those who voted in the negative were:

Ashbach	Chmielewski	Keefe, J.	Lessard	Rued
Bang	Dunn	Kirchner	Ogdahl	Sillers
Barrette	Engler	Kleinbaum	Omann	Ueland, A.
Bernhagen	Frederick	Knaak	Pillsbury	Ulland, J.
Brataas	Jensen	Knutson	Renneke	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

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

S. F. No. 1215: A bill for an act relating to public safety; prohibiting scuba or skin diving during certain hours and under certain conditions; amending Minnesota Statutes 1978, Section 361.09, by adding a subdivision.

Senate File No. 1215 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Peterson moved that the Senate concur in the amendments by the House to S. F. No. 1215 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1215: A bill for an act relating to public safety; prohibiting scuba or skin diving during certain hours and under certain conditions; amending Minnesota Statutes 1978, Section 361.085.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Pillsbury	Stern
Ashbach	Gunderson	Luther	Purfeerst	Stokowski
Bang	Hanson	McCutcheon	Renneke	Strand
Barrette	Hughes	Menning	Rued	Stumpf
Bernhagen	Jensen	Merriam	Schaaf	Tennessee
Brataas	Johnson	Moe	Schmitz	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Setzepfandt	Vega
Coleman	Keefe, S.	Nichols	Sieloff	Wegener
Davies	Kirchner	Olhoff	Sikorski	Willet
Dieterich	Kleinbaum	Olson	Sillers	
Dunn	Knaak	Omann	Solon	
Engler	Knutson	Perpich	Spear	
Frederick	Laufenburger	Peterson	Staples	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

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

S. F. No. 888: A bill for an act relating to tuberculosis; closing the Glen Lake State Sanatorium; requiring the treatment of tuberculosis; allocating costs of tuberculosis treatment for persons in the welfare system; amending Minnesota Statutes 1978, Sections 144.422, Subdivisions 6 and 9; 144.424, Subdivisions 8 and 11; 144.425; 197.01; 246.014; 251.043, Subdivision 1; 251.053; and 256.01, Subdivision 2; repealing Minnesota Statutes 1978, Sections 246.014, Subdivision 8; 251.01; 251.011, Subdivisions 2 and 5; 251.02; 251.03; and 251.11.

Senate File No. 888 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Kirchner moved that the Senate concur in the amendments by the House to S. F. No. 888 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 888: A bill for an act relating to tuberculosis; eliminating certain obsolete language from tuberculosis statutes; requiring detection and treatment of tuberculosis under certain circumstances; closing the Glen Lake State Sanatorium; requiring the treatment of tuberculosis; allocating costs of tuberculosis treatment for persons in the welfare system; amending Minnesota Statutes 1978, Sections 144.422, Subdivisions 2, 6, 7 and 9;

144.424, Subdivisions 8, 9 and 11; 144.425; 144.45; 144.471; 144.49, Subdivisions 5 and 8; 197.01; 241.07; 241.15; 246.014; 246.28; 251.043, Subdivision 1; 251.053; 251.15, Subdivision 1; and 256.01, Subdivision 2; repealing Minnesota Statutes 1978, Sections 144.42; 144.421; 144.424, Subdivision 10; 144.427; 144.428; 144.429; 144.43; 144.46; 144.47; 144.50, Subdivision 4; 145.13; 145.24, Subdivision 4; 246.014, Subdivision 8; 251.01; 251.011, Subdivisions 2 and 5; 251.02; 251.03; 251.08; 251.09; 251.10; 251.11; 251.12; 251.13; 251.14; 251.16; and 376.18 to 376.54.

Was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Perpich	Spear
Ashbach	Gearty	Lessard	Peterson	Staples
Bang	Gunderson	Luther	Pillsbury	Stern
Barrette	Hanson	McCutcheon	Purfeerst	Stokowski
Benedict	Hughes	Menning	Renneke	Strand
Bernhagen	Jensen	Merriam	Rued	Stumpf
Brataas	Johnson	Moe	Schaaf	Tennessee
Chmielewski	Keefe, J.	Nelson	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Davies	Kirchner	Ogdahl	Sieloff	Vega
Dieterich	Kleinbaum	Olhoff	Sikorski	Wegener
Dunn	Knaak	Olson	Sillers	Willet
Engler	Knutson	Omann	Solon	

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

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

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

S. F. No. 410: A bill for an act relating to courts; board on judicial standards; providing for appointment of an executive secretary by the board; providing for appointment of board members by certain organizations; amending Minnesota Statutes 1978, Section 490.15, Subdivision 1.

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

Rothenberg, McCarron and Voss.

Senate File No. 410 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1980

**Mr. President:**

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

S. F. No. 768: A bill for an act relating to natural resources; requiring county board or land exchange board approval on the acquisition of wildlife lands by the commissioner of natural resources; amending Minnesota Statutes 1978, Section 97.481.

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

Rothenberg, Stoa and Kvam.

Senate File No. 768 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 6, 1980

**Mr. President:**

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 455 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 455: A bill for an act relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the state board of education to promulgate certain rules and giving it exclusive jurisdiction over sex discrimination charges; providing for the rights of certain parties in the case of certain sex discrimination charges; amending Minnesota Statutes 1978, Sections 126.21 and 363.02, Subdivision 3.

House File No. 455 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 6, 1980

Mr. Merriam moved that H. F. No. 455 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

**Mr. President:**

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1435, 1653 and 1764.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 6, 1980

**FIRST READING OF HOUSE BILLS**

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

H. F. No. 1435: A bill for an act relating to health; exempting out of state physicians from licensing regulations under certain conditions; amending Minnesota Statutes 1978, Section 147.09.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 1653: A bill for an act relating to public welfare; eliminating authorization for Minnesota State Children's Center; repealing Minnesota Statutes 1978, Sections 260.41 to 260.46.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 1764: A resolution memorializing the United States Congress to enact legislation to extend the deadline for states to comply with recent amendments to the National Health Planning and Resources Development Act.

Referred to the Committee on Health, Welfare and Corrections.

**REPORTS OF COMMITTEES**

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S. F. Nos. 1457, 1534 and 2218 and reports pertaining to appointments. The motion prevailed.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1028: A bill for an act relating to trade regulation; prohibiting certain unfair and deceptive practices and unreasonable restraints of trade in the business of motion picture distribution; prescribing penalties.

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

Page 1, line 9, delete "7" and insert "5"

Page 3, lines 18 and 24, delete "5" and insert "3"

Page 4, delete sections 4 and 5

Page 5, lines 1, 4 and 7, delete "5" and insert "3"

Re-number the sections in sequence

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1854: A bill for an act relating to commerce; expanding

the definition of a "sale of goods" as it applies to consumer credit sales to include certain terminable bailments or leases; clarifying the interests of the respective parties; providing for a certain contract provision; amending Minnesota Statutes 1978, Sections 325.94, Subdivision 5; and 325.941, by adding subdivisions.

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

Page 2, line 24, after "to" insert "*a lease or bailment which constitutes*"

Page 2, line 25, delete "*whether*" and insert "*if*" and delete "*new*"

Page 2, line 26, delete "*or*"

Page 2, lines 27 to 29, delete section 4

Amend the title as follows:

Page 1, line 2, delete "*expanding*" and insert "*clarifying*"

Page 1, line 4, delete "*include*" and insert "*make it clear that it includes*"

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

Mr. Tennesen from the Committee on Commerce, to which was re-referred

S. F. No. 1704: A bill for an act relating to motor vehicle carriers; defining courier services carrier; providing the procedures for granting permits to courier services carriers; excluding courier service carriers from the term regular route common carrier; amending Minnesota Statutes 1978, Sections 221.011, Subdivision 9, and by adding a subdivision; and 221.121, by adding a subdivision.

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

Page 1, line 18, strike "*shall*" and insert "*does*"

Page 1, line 24, strike "*such*" and insert "*the*"

Page 2, lines 3 and 8, strike "*such*" and insert "*the*"

Page 2, line 26, delete "*an application for*"

Page 2, line 28, delete "*courier services carrier may include*" and insert "*applicant resemble*"

Page 2, after line 30, insert:

"Sec. 4. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1132: A bill for an act relating to financial institutions; authorizing securities for investment of deposits of savings banks and other financial institutions and for deposit to secure deposits of public funds; amending Minnesota Statutes 1978, Sections 50.14, Subdivision 4; and 118.01.

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

Page 3, delete line 19

Page 3, line 20, delete "*any other revenues*" and insert "*payable from revenues other than ad valorem taxes as contemplated in clause (a)*"

Page 3, line 20, delete "*the state of*"

Page 3, line 21, delete "*Minnesota*" and insert "*any state or insular possession of the United States*"

Page 3, line 25, delete "*Minnesota*" and insert "*any state*"

Page 3, line 25, before "*obligations*" insert "*bonds or other interest bearing*"

Page 3, line 26, delete "*one-third*" and insert "*three*"

Page 3, line 27, delete "*of the*"

Page 3, line 27, after "*bonds*" insert "*or other interest bearing obligations*"

Page 3, line 29, delete "*securities*" and insert "*bonds or other interest bearing obligations*"

Page 4, line 8, after the comma insert "*and obligations issued pursuant to chapter 474,*"

Page 6, line 32, strike "*, except that no*"

Page 6, strike line 33

Page 7, strike lines 1 to 3 and delete the new language in line 1

Page 7, line 4, strike "*sections 48.22 or 51A.20*"

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

Mr. Tennessen from the Committee on Mr. Commerce, to which was referred

S. F. No. 1398: A bill for an act relating to accounting; providing for the licensing of public accountants and certified public accountants; specifying additional means of satisfying experience requirements; amending Minnesota Statutes 1978, Section 326.19, Subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 326.165, Subdivision 1, is amended to read:

326.165 [BOARD OF ACCOUNTANCY.] Subdivision 1. [PURPOSE. ] It is the policy of this state to promote the dependability of information which is used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private or governmental. The public interest requires that persons engaged in the practice of public accounting be qualified; that a public authority competent to prescribe and assess the qualifications of public accountants be established; that the expression of *any form of assurance or of opinions on financial statements* be reserved to persons who demonstrate their ability and fitness to observe and apply the standards of the accounting profession; and that the use of accounting titles likely to confuse the public be prohibited.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 326.165, Subdivision 2, is amended to read:

Subd. 2. [PRACTICE OF PUBLIC ACCOUNTING.] The "practice of public accounting" is: (a) holding one's self out to the public as skilled in the knowledge, science, and practice of accounting; or, (b) *expressing any form of assurance on financial statements*; or (c) *expressing opinions on financial statements, schedules, reports, or exhibits to be used for publication, for credit purposes, for use in courts or and for other purposes involving use by third parties.*

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 326.17, is amended to read:

326.17 [BOARD OF ACCOUNTANCY.] A board of accountancy is ~~hereby~~ created to carry out the purposes and enforce the provisions of ~~section sections~~ 326.165 and ~~sections~~ 326.17 to 326.23. It shall ~~consist~~ *consists* of between seven and nine citizens of this state ~~to be~~ appointed by the governor as provided in this section. Two shall be public members as defined by section 214.02, five shall be *currently* licensed certified public accountants, and two shall be licensed public accountants under the provisions of ~~sections~~ 326.17 326.165 to 326.23. When the number of licensed public accountants in this state drops below 100, their representation on the board of accountancy shall drop to one and the board shall consist of two public members, five *currently licensed* certified public accountants, and one licensed public accountant. At the time when the number of licensed public accountants in this state drops below 25, the licensed public accountants shall lose their representation on the board, except that the licensed public accountant then serving on the board shall be allowed to complete his term of office and the board shall consist of two public mem-

bers and five *currently licensed* certified public accountants. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214 and sections ~~326.17~~ 326.165 to 326.23.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 326.18, is amended to read:

326.18 [BOARD, DUTIES, OFFICERS, EXAMINATIONS.] A majority of the board ~~shall constitute~~ *constitutes* a quorum. The board shall elect one of its number as chairman, another as vice-chairman, and another as secretary and treasurer, who shall hold their respective offices for a term of one year and until their successors are elected. The affirmative vote of ~~four~~ *a majority* of members of the board ~~shall be~~ *is* considered as the action of the board. The board shall enforce the standard of general education; the standard of special education in the science and art of accounting; the standard of ~~moral~~ *good* character and general public experience, as prescribed in sections ~~326.17~~ 326.165 to 326.23, in all examinations conducted thereunder. The board shall make rules for the conduct of applicants' examinations and the character and scope of ~~such~~ *the* examinations, the method and time of filing applications for examinations and their form and contents, and all other rules and regulations proper to carry into effect the purposes of sections ~~326.17~~ 326.165 to 326.23. *The board may make use of all or any part of the uniform certified public accountant examination and advisory grading service provided by the American Institute of Certified Public Accountants if it deems it appropriate to assist it in performing its duties. All such* These examinations shall be conducted by the board of accountancy. The time and place of holding examinations shall be advertised for not less than three consecutive days in one daily newspaper published in each of the counties where the examinations are to be held, and not less than 60 days prior to the date of each examination. The examinations shall take place as often as may be convenient in the opinion of the board. The board may make rules necessary to implement and enforce sections ~~326.17~~ 326.165 to 326.23, and 214.12, including but not limited to rules of professional conduct pertaining to individuals, partnerships and corporations practicing public accounting which it deems consistent with or required by the public welfare and rules of continuing education to be met by persons licensed under sections ~~326.17~~ 326.165 to 326.23.

The board shall keep records of its proceedings, an accurate list of all applications made, licenses and ~~permits~~ *certificates* issued, and licenses and ~~permits~~ *certificates* revoked, and shall keep proper financial records in which there shall be entered a complete statement of the cash receipts and disbursements. The board shall issue to each person who ~~meets~~ *satisfies* the examination ~~and~~ *experience* requirements of *section 326.19, subdivision 1*, a certi-

fied public accountant a certificate ~~to that effect~~, and shall maintain a record of that issuance. *The board shall issue a license as a certified public accountant to each holder of a certified accountant certificate who satisfies the experience requirements for a license as a certified public accountant or to a person who has been issued a certified public accountant certificate under section 326.19, subdivision 3. The board shall maintain a record of the issuance. It shall adopt and provide itself with a seal with a band inscribed "Certified public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, which seal shall be affixed to each certificate of certified public accountant issued under sections 326.17 to 326.23. The board shall issue to each person who qualifies for a license under sections 326.17 to 326.23 as a licensed public accountant a certificate as a licensed public accountant and shall maintain a record of that issuance. It shall adopt and provide itself with a seal with a band inscribed "Licensed public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, which seal shall be affixed to each certificate of the licensed public accountant, issued under sections 326.17 to 326.23. All records of the board shall be open to the inspection of the public at the office of its secretary.*

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 326.19, subdivision 2, is amended to read:

*Subd. 2. Subdivision 1. [CERTIFICATES AND LICENSES AS CERTIFIED PUBLIC ACCOUNTANTS.] The license, A certified public accountant, certificate shall be granted to any person:*

- (a) Who has attained the age of 18 years; and
- (b) Who ~~holds~~ *is of good character; and*
- (c) *Who has successfully completed an examination in the subjects and at the times the board may prescribe in its rules. The examination shall be administered by the board only to a candidate who holds:*
  - (i) a master's degree with a major in accounting from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or who has in the opinion of the board at least an equivalent education; ~~providing at least one year of experience of the type specified in subdivision 4, has been completed; or~~
  - (ii) a baccalaureate degree, with a major in accounting, from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or who has in the opinion of the board at least an equivalent education, ~~providing at least two years experience of the type specified in subdivision 4, has been completed ; or~~
  - (iii) a baccalaureate degree from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or

whose credits are acceptable to the University of Minnesota for admission to graduate study, or who has in the opinion of the board at least an equivalent education, providing at least three years *one year of experience of the type specified in subdivision 4, has been completed; or*

*(iv) evidence of having completed two or more years of study with passing grade average or above from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or an area vocational-technical school, a Minnesota licensed private vocational school which fulfills the requirements of sections 141.21 to 141.36, or who has in the opinion of the board at least an equivalent education, providing at least five *three* years experience of the type specified in subdivision 4, has been completed; or*

*(v) a diploma as a graduate of an accredited high school or who has in the opinion of the board at least an equivalent education, providing at least six *five* years experience of the type specified in subdivision 4, has been completed; and*

*(e) Who has completed successfully an examination in such subjects and at such times, as the board may prescribe in its rules. The examination shall be administered by the board only to a candidate who holds:*

*(i) a baccalaureate degree with a major in accounting or higher degree, as described in clause ~~(e)~~ (i) or clause ~~(e)~~ (ii) or to persons having at least an equivalent education, or to candidates for such degree providing such candidate is currently registered in his final semester or quarter preceding graduation, or*

*(ii) a baccalaureate degree, as described in clause ~~(e)~~ (iii), provided at least one year experience of the type specified in subdivision 4, has been completed, or*

*(iii) evidence of having completed two or more years of study with passing grade average or above from a college, university, area vocational-technical school or a Minnesota licensed private vocational school which fulfills the requirements of sections 141.21 to 141.36, as described in clause ~~(e)~~ (iv), provided at least three years experience of the type specified in subdivision 4, has been completed, or*

*(iv) a diploma as a graduate of an accredited high school, as described in clause ~~(e)~~ (v), provided at least five years experience of the type specified in subdivision 4, has been completed .*

Sec. 6. Minnesota Statutes 1978, Section 326.19, is amended by adding a subdivision to read:

*Subd. 2. A certified public accountant license shall be granted to any person who has been issued a certified public accountant certificate under subdivision 3 of this section. Those persons holding certified public accountant certificates issued under subdivision 1 of this section shall be granted licenses as certified public accountants providing that they have completed the following re-*

quired experience of the type specified in subdivision 4 of this section in addition to any experience required in subdivision 1, clause (c) (i) to (v) of this section:

(i) for those whose educational qualifications meet the requirements of subdivision 1, clause (c) (i) of this section the experience requirement is one year;

(ii) for those whose educational qualifications meet the requirements of subdivision 1, clause (c) (ii) of this section the experience requirement is two years;

(iii) for those whose educational and experience qualifications meet the requirements of subdivision 1 clause (c) (iii) of this section, the additional required experience is two years;

(iv) for those whose educational and experience qualifications meet the requirements of subdivision 1, clause (c) (iv) of this section, the additional required experience is two years; and

(v) for those whose educational and experience qualifications meet the requirements of subdivision 1, clause (c) (v) of this section, the additional required experience is one year.

Sec. 7. Minnesota Statutes 1978, Section 326.19, Subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE AND LICENSE WITHOUT EXAMINATION.] The state board of accountancy may, in its discretion, waive the examination of and may issue a *certificate and license* for as a certified public accountant to any person possessing the qualifications mentioned in this section, who:

(a) Is the holder of a C.P.A. license or certificate, issued under the laws of another state, provided the requirements for the *degree license* or certificate in the state which has granted it to the applicant are, in the opinion of the state board of accountancy, equivalent to those herein provided; or

(b) Shall be the holder of a degree or certificate of certified public accountant or chartered accountant, or the equivalent thereof, issued in any foreign country, provided that the requirements for ~~such~~ *the* degree or certificate are equivalent to those herein provided for the license of certified public accountant in this state.

(c) Shall in another jurisdiction have completed successfully an examination which, in the opinion of the board, is comparable to that prescribed by the board in its rules and provided that such person has satisfied the other requirements of ~~subdivision~~ *subdivisions 1 and 2*.

Sec. 8. Minnesota Statutes 1978, Section 326.19, Subdivision 4, is amended to read:

Subd. 4. [QUALIFYING EXPERIENCE FOR EXAMINATION AND GRANTING OF LICENSE.] Qualifying experience for subdivisions 1, 2 and 3 shall include public accounting experience (1) as a staff employee of a certified public accountant or public accountant, a firm of certified public accountants or public accountants, or a corporation formed for the practice of public accounting; or (2) as an auditor in the office of the legislative

auditor or state auditor, or as an auditor or examiner with any other agency of government, which experience, in the opinion of the board is equally comprehensive and diversified; or (3) as a self-employed public accountant or as a partner in a firm of public accountants; or (4) in any combination of the foregoing capacities.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 326.211, Subdivision 3, is amended to read:

Subd. 3. No person shall assume or use the title or designation "licensed public accountant" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a licensed public accountant, unless the person is licensed as a licensed public accountant under section 326.191, and all of the person's offices in this state for the practice of public accounting are maintained and licensed as required under section 326.20, or unless the person has received a certificate as a certified public accountant under section ~~326.18~~ 326.19, holds a license issued under section 326.20, and all of the person's offices in this state for the practice of public accounting are maintained and licensed as required under section 326.20.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 326.211, Subdivision 9, is amended to read:

Subd. 9. No person shall assume or use the title or designation "certified public accountant" or "licensed public accountant" in conjunction with names indicating or implying that there is a partnership, or in conjunction with the designation "and Company" or "and Co." or a similar designation if, in any such case, there is in fact no bona fide partnership licensed under section 326.20. A sole proprietor or partnership lawfully using such the title or designation in conjunction with such the names or designation on the effective date of Laws 1979, Chapter 326 July 1, 1980 may continue to do so if he or it otherwise complies with the provisions of Laws 1979, Chapter 326, Sections 1 to 13 and Minnesota Statutes, Sections ~~327.17~~ 326.165 to ~~327.23~~ 326.23 .

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 326.212, Subdivision 2, is amended to read:

Subd. 2. The board, by rule, may permit persons holding a certificate issued pursuant to section ~~326.18~~ 326.19, but who do not hold a current license, to assume or use the title or designation "certified public accountant" or "licensed public accountant," or the abbreviation "C.P.A.," "L.P.A.," or other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant or licensed public accountant, provided (a) that the board has not revoked, suspended, or refused to renew a license previously issued to the person; (b) that the assumption or use is not incident to the practice of public accountancy; and (c) that the assumption or use is not in conjunction with or incident to any opinion or certificate within the purview of section ~~326.20~~ 326.211, subdivision 1 6 .

Sec. 12. Laws 1979, Chapter 326, Section 16, is amended to read:

Sec. 16. [EFFECTIVE DATE.] Section 7 8 is effective July 1, 1980. The remaining sections are effective the day following final enactment June 6, 1980 .

Sec. 13. *This act is effective the day following final enactment.*"

Delete the title and insert:

"A bill for an act relating to accountancy; providing for the licensing of public accountants; clarifying the law; amending Minnesota Statutes 1978, Sections 326.19, Subdivisions 3 and 4, and by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 326.165, Subdivisions 1 and 2; 326.17; 326.18; 326.19, Subdivision 2; 326.211, Subdivisions 3 and 9; 326.212, Subdivision 2; and Laws 1979, Chapter 326, Section 16."

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

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

S. F. No. 773: A bill for an act relating to wild animals; prohibiting possession of firearms while shining wild animals; amending Minnesota Statutes 1978, Section 100.29, Subdivision 10.

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

Page 1, line 14, strike ", except raccoons when treed"

Page 1, line 15, strike "while on foot" and delete the new language

Page 1, lines 18 to 22, reinstate the stricken language

Page 2, lines 1 to 8, reinstate the stricken language

Page 2, line 8, strike everything after the period

Page 2, lines 9 to 15, strike the old language

Page 2, lines 10, 14 and 15, delete the new language

Page 2, line 15, after the period, insert "*Raccoons may be taken between the hours of sunset and sunrise only under the following conditions:*

(a) *Hunters shall be on foot and may use an artificial light only when using dogs for the purpose of taking raccoon.*

(b) *Rifles, when used, shall not be of a caliber larger than .22 rim-fire, using .22 short, long or long rifle ammunition.*

(c) *Shotguns, when used, shall use shells with shot no larger than No. 4 fine shot."*

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before the semicolon and insert "clarifying conditions under which raccoons can be taken at night"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1756: A bill for an act relating to highways; providing that a resolution of a county board revoking a county highway that would revert to a town is not effective until the highway meets town road specification standards; amending Minnesota Statutes 1978, Section 163.11, Subdivision 5a.

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

Page 1, line 12, strike "Prior to" and insert "Before"

Page 2, line 1, delete "; provided that," and insert a period

Page 2, line 2, delete "any"

Page 2, line 4, delete "or exceed"

Page 2, line 4, delete everything after "the" and insert "county standards for a comparable road in the county in which the town is located"

Page 2, line 5, delete the new language

Amend the title as follows:

Page 1, line 5, delete "town" and insert "county"

Page 1, line 5, delete "specification"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2109: A bill for an act relating to transportation; permitting establishment of toll bridges on county highways and county state aid highways; authorizing the issuance of revenue bonds to finance their cost; amending Minnesota Statutes 1978, Chapter 165, by adding a section.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1914: A bill for an act relating to highway traffic regulations; authorizing certain identification rights on motor vehicles

operated by certificated volunteer ambulance drivers; amending Minnesota Statutes 1978, Section 169.58, by adding a subdivision.

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1208: A bill for an act relating to taxation; property tax; providing for reassessment of substantially damaged property; amending Minnesota Statutes 1978, Sections 273.01; 274.01, Subdivision 1; and 274.13, Subdivision 1.

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

Page 2, line 31, after "of the" insert "improvements to"

Page 7, line 15, after "of the" insert "improvements to"

Page 7, line 17, after "percent" insert ". To obtain the reduction, the owner of such property shall apply to the assessor before July 1. Upon receipt of the application, the assessor shall view the property and submit his recommendation for revaluation to the county board of equalization prior to its annual meeting"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1992: A bill for an act relating to elections; providing for preparation of consolidated primary election ballots by counties at state expense; amending Minnesota Statutes 1978, Section 203A.23, Subdivision 1.

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

Page 2, after line 4, insert:

"Sec. 2. [TEMPORARY RULES.] *The secretary of state may adopt temporary rules pursuant to section 15.0412, subdivision 5, for the preparation and delivery of the consolidated primary ballot and reimbursement of counties' costs. Notwithstanding any other law, the temporary rules shall be effective until permanent rules are adopted.*

Sec. 3. [APPROPRIATION.] *The sum of \$. . . . . is appropriated from the general fund to the secretary of state for reimbursement of counties' costs as provided in this act.*

Sec. 4. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing rulemaking authority to the secretary of state; appropriating money;"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 2138: A bill for an act relating to elections; providing for special elections to fill vacancies in statutory city offices; amending Minnesota Statutes 1978, Sections 205.10; 205.17, Subdivision 1; and 412.02, Subdivision 2, and by adding a subdivision.

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

Page 2, line 9, before the period insert "*as provided in section 3*"

Pages 2 and 3, delete section 2

Page 3, line 16, delete "*a special*" and insert "*an*" and delete "*in*"

Page 3, delete line 17

Page 3, line 18, delete "*election*" and insert "*as provided in this subdivision*"

Page 3, line 20, after the second "*the*" insert "*next*"

Page 3, line 21, after the comma insert "*a special election shall be held at the next regular city election and*"

Page 3, line 23, delete "*, if any,*"

Page 3, line 28, delete "*next*" and insert "*second*"

Page 3, line 29, after the period insert "*No special election shall be held if the next regular city election is held in the year preceding expiration of the vacant term. The names of candidates to fill a vacancy in the office of councilman in a statutory city shall be listed under the separate heading "Special election for councilman to fill vacancy in term expiring . . . . .", with the date of expiration of the term and any other information as may be necessary to distinguish the office. Under the heading for the office of mayor in a special election shall be the words "To fill vacancy in term expiring . . . . ."*

Sec. 4. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "205.17, Subdivision 1;"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1783: A bill for an act relating to elections; providing for hearings of contested legislative elections; amending Minnesota Statutes 1978, Sections 209.02, Subdivision 4a; 209.09; and 209.10, Subdivision 1.

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

Page 2, line 19, strike "his action" and insert "*the contest*"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 2053: A bill for an act relating to elections; requiring certain employers to attempt to let employees make up time taken off for certain public meetings; amending Minnesota Statutes 1978, Section 210A.09, Subdivision 2.

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

Page 1, lines 16 and 17, delete "*time is taken*" and insert "*an employee takes time*"

Page 1, line 17, delete "*every*" and insert "*an*"

Page 1, line 19, delete "*conveniently*"

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

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 2136: A bill for an act relating to elections; changing certain procedures and the effect of absentee ballots; amending Minnesota Statutes 1978, Section 207.05, Subdivision 1.

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

Pages 1 and 2, delete section 1

Page 2, line 11, delete "*Friday immediately*" and insert "*day*"

Delete all underlining from the bill

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "; amending" and insert a period

Page 1, delete lines 4 and 5

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1844: A bill for an act relating to advertising devices; authorizing advertising devices within 500 feet of local parks under certain circumstances; amending Minnesota Statutes 1978, Section 173.08, Subdivision 2.

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

Page 1, delete section 1 and insert:

“Section 1. Minnesota Statutes 1978, Section 173.08, Subdivision 2, is repealed.”

Delete all underlining from the bill

Amend the title as follows:

Page 1, line 2, delete “authorizing” and insert “permitting”

Page 1, line 3, delete everything after “devices” and insert “in certain places”

Page 1, line 4, delete “amending” and insert “repealing”

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2111: A bill for an act relating to counties; providing for the responsibilities and appointments of deputy county treasurers; amending Minnesota Statutes 1978, Section 385.02, Subdivision 1.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1950: A bill for an act relating to certain towns in St. Louis County; providing a method for determining whether to open or maintain certain town roads.

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

Page 1, line 7, delete “of Alden,”

Page 1, delete line 8

Page 1, line 9, delete “and Rice Lake”

Page 1, line 18, delete “a” and insert “each” and delete “named”

Page 1, line 19, delete “section 1” and insert “St. Louis County”

Amend the title as follows:

Page 1, line 2, delete "certain"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2074: A bill for an act relating to industrial development; permitting hearings by a committee of the governing body; providing for published notice; amending Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7b.

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

Page 1, line 21, reinstate "15" and delete "10"

Amend the title as follows:

Page 1, line 4, delete "providing for published notice;"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1745: A bill for an act relating to counties; providing for publication and examination of accounts; amending Minnesota Statutes, 1979 Supplement, Section 375.17.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2123: A bill for an act relating to Dakota County; providing for the expenses of the county commissioners; amending Laws 1961, Chapter 249, Section 2, as amended.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1997: A bill for an act relating to the city of Austin; authorizing the establishment and financing of the capital cost of a solid waste disposal system and program.

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

Page 2, line 29, before the comma insert "except as provided in section 4"

Page 3, after line 7, insert:

"Sec. 4. The city council of the city of Austin prior to the issuance of any bonds authorized by section 3 shall adopt an initial resolution stating the amount, purpose and, in general, the security to be provided for the bonds; and shall publish the resolution once each week for two consecutive weeks in the official newspaper of the city. The bonds may be issued without the submission of the question of their issuance to the voters of the city unless within 21 days after the second publication of the resolution a petition requesting an election signed by at least eight percent of the registered voters of the city voting in the last general election is filed with the city recorder. If a petition is filed, no bonds shall be issued unless approved by a majority of the voters of the city voting on the question of their issuance at a regular or special election."

Renumber the sections in sequence

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 2168: A bill for an act relating to historic sites; designating an additional historic site; amending Minnesota Statutes 1978, Section 138.56, by adding a subdivision.

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 2183: A bill for an act relating to gambling devices; changing definition of gambling devices; authorizing certain payments for operation of gambling devices; amending Minnesota Statutes 1978, Section 349.26, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 349.26, Subdivision 12.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 349.26, Subdivision 4, is amended to read:

Subd. 4. "Tipboard" means a board, placard or other device measuring at least 12 inches square, marked off in a grid or similar pattern columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances.

Sec. 2. Minnesota Statutes 1978, Section 349.26, Subdivision 5, is amended to read:

Subd. 5. "Raffle" means a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed upon the ticket.

Sec. 3. Minnesota Statutes 1978, Section 349.26, Subdivision 15, is amended to read:

Subd. 15. ~~Total prizes from the operation of paddlewheels and tipboards awarded in any single day in which they are operated shall not exceed \$500. Total prizes resulting from any single spin of a paddlewheel, or from any single tipboard seal of a tipboard,~~ shall not exceed \$100. Total prizes awarded in any calendar year by any organization from the operation of paddlewheels and tipboards and the conduct of raffles shall not exceed \$15,000. Merchandise prizes shall be valued at fair market retail value."

Amend the title as follows:

Page 1, line 2, delete "changing" and insert "clarifying certain"

Page 1, line 2, delete "definition" and insert "definitions"

Page 1, delete line 3

Page 1, line 4, delete everything before the semicolon

Page 1, delete lines 6 and 7, insert "Subdivisions 4, 5, and 15."

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

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 2218: A bill for an act relating to peace officers; exempting municipalities with a population of less than or equal to 5,000 from part-time officer licensing by the board of peace officer standards and training; authorizing such municipalities to adopt part-time officer licensing ordinances; amending Minnesota Statutes 1978, Chapter 626, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 626.8461.

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

Page 2, line 13, after "Subdivision 1." insert "[DEFINITION.] For the purpose of this section, "part-time officer" means an individual whose services are utilized by law enforcement agencies no more than an average of 32 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who either has full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

*Subd. 2."*

Renumber the subdivisions in sequence

Page 4, after line 4, insert:

"Sec. 3. Minnesota Statutes, 1979 Supplement, Section 626.84, is amended to read:

626.84 [DEFINITIONS.] For the purposes of sections 626.84 to 626.855, the following terms shall have the meanings given them *unless a different meaning is indicated* :

(a) "Board" means the Minnesota board of peace officer standards and training;

(b) "Director" means the executive director of the board;

(c) "Peace officer" means an employee of a political subdivision or state law enforcement agency who is charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota highway patrol and state conservation officers.

(d) "Constable" shall have the meaning assigned to it in section 367.40.

(e) "Deputy constable" shall have the meaning assigned to it in section 367.40.

(f) "Part-time officer" means an individual whose services are utilized by law enforcement agencies no more than an average of 14 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency.

(g) "Reserve officer" means an individual whose services are utilized by a law enforcement agency for purposes including, but not limited to, providing supplementary assistance at special events, traffic or crowd control, or administrative or clerical assistance; provided that the individual's duties do not include enforcement of the general criminal laws of the state unless accompanied by a licensed peace officer; further provided that the individual does not have full powers of arrest or authorization to carry a firearm on duty. The term shall apply even though the individual receives no compensation and irrespective of the number of hours worked by, or the title conferred upon, the individual by any law enforcement agency."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "municipalities" and insert "municipalities"

Page 1, line 9, delete "Section" and insert "Sections 626.84; and"

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

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

S. F. No. 2025: A bill for an act relating to water resources; continuing the water planning board; changing its membership and duties; appropriating money; amending Minnesota Statutes 1978, Section 105.401; and Laws 1979, Chapter 333, Section 31, Subdivision 5.

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

Page 2, line 16, after "commission" insert "*and evaluate and update its contents*"

Page 2, delete line 17

Page 2, line 18, delete everything before "*comprehensive*" and insert "*(2) Coordinate and develop*"

Page 2, line 19, delete "*in furtherance of the*"

Page 2, line 20, delete "*framework plan*"

Page 2, line 26, strike "participation of" and insert "*opportunity for*"

Page 2, line 27, after "government" insert "*to participate*"

Page 2, line 29, after "activities" insert "*of the board*"

Page 2, line 32, after "89-80" insert "*, as amended*"

Page 2, line 33, after "funding" insert "*and such other federal water and related land resources planning programs affecting more than a single agency as the board finds appropriate*"

Page 3, line 7, strike "many"

Page 3, line 8, after "state" insert "*, local,*"

Page 3, line 9, strike "public"

Page 3, line 14, delete everything after "(9)"

Page 3, line 16, after the semicolon insert "*and*"

Page 3, line 17, after "*and*" insert "*, where directed,*"

Page 3, line 19, delete everything after "*management*" and insert a period

Page 3, delete lines 20 to 31

Page 4, line 12, after "446" insert "*until 90 days after the legislature designates a permanent successor to the water planning board, but not longer than*"

Page 4, line 12, reinstate "through June 30," and after the stricken "1980" insert "1982"

Page 4, line 14, after "plan" insert "*for evaluation and further development of water planning*"

Page 4, line 19, delete "legislation" and insert "*a report to the governor, the successor to the water planning board and the legislature from which appropriate legislation may be developed*"

Page 4, after line 30 insert:

*"The water planning board is extended until 90 days after the legislature designates a permanent successor to the water planning board or until June 30, 1982, whichever comes sooner. In accordance with the preceding provision, Minnesota Statutes 1978, Section 105.401, expires on or before June 30, 1982."*

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

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

S. F. No. 2094: A bill for an act relating to game and fish; requiring licenses of persons providing guide services for bear hunters; specifying fees; amending Minnesota Statutes 1978, Section 98.46, Subdivisions 4 and 16.

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

Page 1, before line 8. insert:

"Section 1. Minnesota Statutes 1978, Section 97.40, Subdivision 7, is amended to read:

Subd. 7. "Fur bearing animals" includes all protected mammals, except bear, deer, moose, elk and caribou."

Page 1, line 9, delete the comma

Page 1, line 11, delete everything after "bear"

Page 1, line 12, delete "*maintain in effect*" and insert "*without*"

Page 1, line 13, delete "*to do so*"

Page 1, line 13, delete "*may*" and insert "*shall*"

Page 1, delete lines 14 and 15

Page 1, line 16, delete "*administer*" and insert "*qualifications for issuance and administration of*"

Page 1, line 16, after the period, insert *"No license shall be issued under this section after the day prior to the opening of the season for taking bear by firearms, 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 the season."*

Page 1, after line 16, insert:

"Sec. 3. Minnesota Statutes 1978, Section 97.48, Subdivision 23, is amended to read:

Subd. 23. If the date of the opening of the season for the taking of any protected wild animals, except those under federal regulations as prescribed by law, falls on any day other than a Saturday, the commissioner of natural resources may designate the nearest Saturday to said date as the opening day of the season. If the statutory closing date falls on a *Thursday, Friday or Saturday*, the commissioner of natural resources may extend it through the following Sunday."

Page 2, after line 19, insert:

"Sec. 6. Minnesota Statutes 1978, Section 98.46, Subdivision 22, is amended to read:

Subd. 22. No deer or , moose , or bear taken in this state shall be transported or possessed unless a tag of a type prescribed by the commissioner bearing the license number of the owner, the year of its issue, and such other information as the commissioner may require has been affixed to its carcass in a manner prescribed by the commissioner. The tag must be so affixed at the time the deer or , moose , or bear is brought into any hunting camp, dwelling, farm yard, or other place of abode of any kind occupied overnight, or before being placed wholly or partially on a motor vehicle of any kind, or upon a conveyance towed by a motor vehicle of any kind. Provided, that deer taken by bow and arrow and moose shall be tagged by a conservation officer or other authorized agent as may be prescribed by the commissioner, in addition to the tag herein provided for.

Sec. 7. Minnesota Statutes 1978, Section 98.47, Subdivision 15, is amended to read:

Subd. 15. A permanent license to take fish shall be issued at the prevailing fee for an individual resident license without charge to any citizen of Minnesota, 16 years of age or older, who is mentally retarded and whose parent or guardian furnishes satisfactory evidence of the disability to the county auditor or a subagent of the county auditor, acting under the provisions of section 98.50.

Sec. 8. Minnesota Statutes 1978, Section 98.47, Subdivision 16, is amended to read:

Subd. 16. A permanent license to take fish shall be issued at the prevailing fee for an individual resident license without charge to any Minnesota veteran as defined in section 197.447, who has a

100 percent service connected disability as defined by the United States veterans administration, and furnishes satisfactory evidence of his disability to the county auditor or a subagent of the county auditor, acting under the provisions of section 98.50.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 100.27, Subdivision 4, is amended to read:

Subd. 4. Muskrats may be taken for a period not exceeding 60 90 days in the aggregate for the area, otter for a period not exceeding 15 days, only by trapping, and mink for a period not exceeding 90 days, in the areas of the state, during the times between October 25th and April 30th of the following year and subject to any other restrictions which the commissioner shall prescribe. Beaver may be taken, by trapping only, in the areas of the state, during the times between October 25th and April 30th of the following year and subject to any other restrictions which the commissioner shall prescribe.

Sec. 10. Minnesota Statutes 1978, Section 100.29, Subdivision 1, is amended to read:

100.29 [RESTRICTIONS AND PROHIBITIONS.] Subdivision 1. It shall be unlawful to take protected wild animals, except raccoon *and fox*, with the use of a gun or bow and arrows between ~~sunset and one-half hour before sunrise~~ *the evening and morning times established by the commissioner by order*. It shall be unlawful to take pheasants between ~~sunset~~ *the evening time established by the commissioner by order* and 9 a.m.

Sec. 11. Minnesota Statutes 1978, Section 100.29, Subdivision 31, is amended to read:

Subd. 31. *Any person placing bait for bear shall display a tag as prescribed by the commissioner at each site where bait is placed and register the location of the bait in a manner prescribed by the commissioner*. It shall be unlawful to take bear by using solid waste containing bottles, cans, plastic, paper, metal or any other materials that are not readily biodegradable, as a bait or a lure for the purpose of attracting the bear.

Sec. 12. Minnesota Statutes 1978, Section 100.30, is amended to read:

100.30 [POSSESSION, SALE, TRANSPORTATION.] The skins of all fur bearing animals, the hides of *bear, deer or moose, the claws of bear*, and the flesh of beaver, muskrat, raccoon, rabbits and hares, legally taken and bearing such seals or tags as may be required by chapters 97 to 102, may be bought, sold, and transported at any time, provided the flesh of animals enumerated herein, except muskrats, shall not be transported outside of the state of Minnesota.

Sec. 13. Minnesota Statutes, 1979 Supplement, Section 101.42, Subdivision 18, is amended to read:

Subd. 18. Except as otherwise specifically permitted, it shall be unlawful *for any person* to have in *his* possession in an automobile

or any vehicle or on ~~their~~ *his* person, or at or near any waters, a spear, trap, net, ~~dip net~~, seine, or any other device capable of taking fish, *except dip nets* which may be possessed between the hours of sunrise and sunset during the period of February 16 to April 30, inclusive, *and* except when acting under permit or contract to trap or seine from the division of fisheries, during the period of February 16 to April 30, inclusive and except that spears, dip nets, bows and arrows, and devices permitted in section 101.51 used for the taking of rough fish may be possessed between the hours of sunrise and sunset after April 30. This subdivision does not apply to nets used in the taking of trout and smelt in season or to seines or traps used for the taking of minnows for bait.

**Sec. 14. [EFFECTIVE DATE.]** *Sections 6, 7, and 8 are effective for the license seasons beginning March 1, 1981. Section 13 is effective March 1, 1981."*

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to game and fish; excluding bears from the definition of furbearing animals; requiring licenses of persons providing guide services for bear hunters; specifying fees; requiring tagging of bears taken in the state; providing for free fishing licenses for certain mentally retarded and disabled residents; extending the muskrat trapping season; changing the times of day during which certain wild animals may be taken; regulating bear baiting; allowing sale of bear hides and claws; allowing possession of dip nets under certain circumstances; amending Minnesota Statutes 1978, Sections 97.40, Subdivision 7; 97.48, Subdivision 23; 98.46, Subdivisions 4, 16 and 22; 98.47, Subdivisions 15 and 16; 100.29, Subdivisions 1 and 31; 100.30; Minnesota Statutes, 1979 Supplement, Sections 100.27, Subdivision 4; and 101.42, Subdivision 18."

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1534: A bill for an act relating to advertising devices; providing for local regulation of certain devices; requiring compensation for removing certain devices; providing for maintenance of areas; amending Minnesota Statutes 1978, Section 173.08, Subdivision 2; 173.13, Subdivision 1; 173.17; and Chapter 173, by adding a section.

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

Page 1, delete section 1

Page 1, line 24, strike "any" and insert "an"

Page 1, line 24, strike "therefor"

Page 2, line 13, strike "section" and insert "*chapter*"

Page 2, line 14, strike "such" and insert "*the*"

Page 2, line 18, strike "thereto" and insert "*to advertising devices*"

Page 2, line 19, strike "section 173.16" and insert "*this chapter*"

Page 2, line 20, strike "thereto, provided that" and insert "*to this chapter if those*"

Page 2, line 21, strike "such"

Page 2, line 22, strike "any such" and insert "*the*"

Page 2, line 24, strike "such" and insert "*the*"

Page 2, line 25, strike "such" and insert "*the*"

Page 2, line 28, strike "such" and insert "*the*"

Page 2, line 28, strike "prior" and insert "*before*"

Page 2, line 29, before "its" strike "to"

Page 2, line 30, strike "thereon"

Page 2, line 31, strike "therefor" and insert "*for the advertising devices*"

Page 3, line 1, strike "such" and insert "*the*"

Page 3, line 2, strike "Provided,"

Page 3, line 3, strike "however, that"

Page 3, line 8, strike "such" and insert "*the*"

Page 3, line 10, strike "herein" and insert "*under this section*"

Page 3, line 11, strike "thereto" and insert "*to the compensation*"

Page 3, line 16, strike "same" and insert "*advertising device*"

Page 3, line 18, strike "herein" and insert "*under this section*"

Page 3, line 19, strike "; provided" and insert a period

Page 3, line 20, strike "that"

Page 3, line 20, strike "said" and insert "*the*"

Page 3, line 25, after the period, insert:

"(4)"

Page 3, line 28, after "and" insert "*properly*"

Page 3, line 29, delete "*good repair*" and insert "*excellent condition*"

Page 4, line 17, delete "or"

Page 4, line 18, delete "*maintaining*"

Page 4, line 18, after the comma insert "*unreasonably*"

Page 4, line 18, delete "*or in any way*"

Page 4, line 19, delete "*interfere with the effectiveness*"

Page 4, after line 20, insert:

"Sec. 4. *Minnesota Statutes 1978, Section 173.08, Subdivision 2, is repealed.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "Section 173.08," and insert "Sections"

Page 1, line 7, delete "Subdivision 2;"

Page 1, line 8, after "section" insert "; repealing Minnesota Statutes 1978, Section 173.08, Subdivision 2"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1641: A bill for an act relating to drivers licenses; increasing the fees for renewal of motorized bicycle operator permits and fees for drivers licenses; establishing a fee for the Minnesota identification card; providing for uniform application fees; amending Minnesota Statutes 1978, Sections 171.06, Subdivisions 1, 2, and 4; 171.07, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Section 171.02, Subdivision 3.

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

Page 1, line 16, strike "any" and insert "a" in both instances

Page 1, line 20, strike "any" and insert "a"

Page 2, line 13, strike "Every" and insert "An"

Page 2, line 16, strike "All" and "applications"

Page 2, line 17, before "shall" insert "*An application*"

Page 2, line 19, strike "applications" and insert "*application*"

Page 3, line 4, strike "Any" and insert "An"

Page 3, line 15, strike "all"

Page 3, line 25, strike "all" and insert "*the*"

Page 3, line 25, strike "herein"

Page 3, line 27, strike "clerks" and insert "*clerk*"

Page 3, line 28, strike "courts" and insert "court"

Page 3, line 29, strike "clerks" and insert "clerk"

Page 3, line 29, strike "every" and insert "an"

Page 3, line 31, strike "him" and insert "the agent"

Page 3, line 33, strike "his"

Page 4, line 1, strike "clerks" and insert "clerk"

Page 4, line 2, after "of" insert "the"

Page 4, line 2, after "agents" insert "so"

Page 4, line 2, strike "by"

Page 4, line 3, strike "them"

Page 4, line 3, strike "all" and insert "the"

Page 4, line 4, after the stricken word "such" insert "the"

Page 4, line 5, strike "themselves" and insert "the clerk"

Page 4, line 11, strike "every" and insert "an"

Page 4, line 12, strike "any" and insert "a"

Page 4, line 17, strike "thereon" and insert "a colored photograph,"

Page 4, line 23, strike "Each" and insert "A"

Page 4, line 26, strike "any" and insert "a"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1993: A bill for an act relating to economic development; requiring that a majority of the members of the iron range resources and rehabilitation board represent legislative districts containing taconite tax relief areas; amending Minnesota Statutes 1978, Section 298.22, Subdivision 2.

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2085: A bill for an act relating to public employees; creating a state department of employee relations; establishing appropriate units for state and university employees; providing for a right to strike; providing for interim contract approval by the legislative commission on employee relations; clarifying civil ser-

vice laws; providing for health benefits; providing for a study of promotional systems; appropriating money; amending Minnesota Statutes 1978, Sections 43.001; 43.01, Subdivision 8; 43.111; 43.245; 43.321; 43.45; 43.46; 179.63, Subdivision 7; 179.6, Subdivisions 2, 3, 4, and 5, and by adding a subdivision; 179.67, Subdivision 4; 179.69, Subdivisions 1 and 3; 179.71, Subdivisions 3 and 5; 179.72, Subdivision 6; 179.74, Subdivisions 1, 2, and 3, and by adding a subdivision; and Chapters 43 and 179, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 3.855; 43.067, Subdivision 1; 43.19, Subdivision 1; 43.50, Subdivision 1; 43.51; 62D.22, Subdivision 7; 179.63, Subdivision 11; 179.65, Subdivision 6; and 179.74, Subdivisions 4 and 5; and Laws 1979, Chapter 332, Article I, Section 114; repealing Minnesota Statutes 1978, Sections 43.003; 43.50, Subdivision 3; 179.64, Subdivision 1; and 179.69, Subdivisions 4, 5, and 6; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 5; and 179.64, Subdivision 7.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 3.855, is amended to read:

3.855 [LEGISLATIVE COMMISSION ON EMPLOYEE RELATIONS.] Subdivision 1. [ESTABLISHMENT.] There is created the legislative commission on employee relations. The commission shall consist of six members of the senate and six members of the house of representatives. The senate members shall include the majority leader of the majority caucus of the senate, the minority leader of the minority caucus of the senate, the chairman of the governmental operations committee, the chairman of the finance committee, the chairman of the tax committee on taxes and tax laws, and an additional member designated by the minority leader, or their designees of the minority caucus. The house members shall include the speaker, the minority leader of the minority caucus of the house, the chairman of the governmental operations committee, the chairman of the appropriations committee, the chairman of the tax taxes committee, and an additional member designated by the minority leader, or their designees of the minority caucus. In the event that the membership of the house is evenly divided, the house members shall be selected pursuant to the rules of the house. Any member of the commission may resign by providing notice to the chairman. In the event of a resignation by a member of the: (1) senate, a replacement shall be selected from among the members of the senate by the committee on rules and administration; (2) house, a replacement shall be selected from among the members of the house pursuant to house rules. The commission shall elect its own officers who shall serve for terms of two years. The chairmanship of the commission shall alternate between a member of the Senate and a member of the house.

Subd. 2. [STATE EMPLOYEE NEGOTIATIONS.] Prior to the commencement of *formal* collective bargaining activities with state employees, the commission shall conduct hearings at which ~~public employees;~~ *exclusive* representatives of public employees and the commissioner of ~~personnel~~ *employee relations* shall be allowed to testify as to their ~~beginning~~ *initial* negotiating positions. The commissioner of ~~personnel~~ *employee relations* shall regularly advise the commission on the progress of collective bargaining activities with state employees pursuant to the state public employee labor relations act. *During the course of the negotiations*, the commission may make recommendations to the commissioner as it deems appropriate *but no recommendation shall impose any obligation or grant any right or privilege to the parties.* The commissioner shall submit to the chairman of the commission any negotiated agreements or arbitration awards ~~which the commissioner has approved within five days of the making thereof.~~ *Approved negotiated agreements shall be submitted within five days of the date of approval by the commissioner or the date of approval by the affected state employees whichever occurs later.* Arbitration awards shall be submitted *within five days of their receipt by the commissioner.* If the commission disapproves of any agreement or award, the commission shall specify in writing to the parties those portions with which it disagrees and the reasons therefor. ~~Upon receipt of the notice of disapproval from the commission, the commissioner of personnel will reopen the negotiations.~~ If the commission approves of an agreement or award, it shall cause the matter to be submitted to the legislature to be accepted or rejected pursuant to section 179.74. Failure of the commission to disapprove ~~of affected portions~~ of an agreement or award within 30 days of its receipt shall be deemed approval. Approval or disapproval by the commission shall not be binding on the entire legislature.

*After adjournment of the legislature in an odd numbered year, the commission may give interim approval to a negotiated agreement or arbitration award. It shall submit the negotiated agreement or arbitration award to the entire legislature for ratification as provided in section 179.74, subdivision 5.*

Subd. 3. [OTHER DUTIES.] In addition to the duties specified in subdivision 2, the commission shall perform the following:

(a) *Review and approve, reject, or modify a plan for compensation, terms and conditions of employment prepared and submitted by the commissioner of employee relations pursuant to section 10 covering all state employees not represented by an exclusive bargaining representative and whose compensation is not otherwise established by law;*

(b) *Continually monitor the state's civil service system; as provided for in chapter 43, rules of the commissioner of employee relations and the collective bargaining process; as provided for in sections 179.61 to 179.76, as applied to state employees;*

~~(b)~~ (c) *Research and analyze the need for improvements in those statutory sections; and*

~~(e)~~ (d) *Adopt rules not inconsistent with this section relating to the scheduling and conduct of commission business and other organizational and procedural matters; and*

(e) Perform such other related functions as are delegated to it by the legislature.

Sec. 2. Minnesota Statutes 1978, Chapter 43, is amended by adding a section to read:

[43.0001] *The name of the department of personnel is changed to the department of employee relations. The name of the commissioner of personnel is changed to the commissioner of employee relations. Subject to applicable laws, the department of employee relations, with its commissioner and officers, shall continue to exercise all the powers and duties vested in or imposed upon the department and commissioner of personnel immediately prior to the effective date of this section.*

Sec. 3. Minnesota Statutes 1978, Section 43.001, is amended to read:

43.001 [DEPARTMENT OF EMPLOYEE RELATIONS; CREATION.] Subdivision 1. The department of ~~personnel~~ *employee relations* is hereby created under the control and supervision of a commissioner of ~~personnel~~ *employee relations*, which office is hereby established.

Subd. 2. The commissioner of ~~personnel~~ *employee relations* is appointed by the governor under the provisions of section 15.06. ~~He shall have broad experience in a managerial position including about five years as an executive personnel manager in one or more organizations essentially similar in complexity to state government. The commissioner shall be knowledgeable in executive personnel management and shall have background in labor relations.~~

Subd. 3. The commissioner may appoint ~~one deputy commissioner~~ and a confidential secretary, each of ~~whom~~ *who* shall serve at the pleasure of the commissioner in the unclassified service.

Subd. 4. Subject to the provisions of Laws 1978, Chapter 507 and to other applicable laws governing a state department or agency, the commissioner shall organize the department and employ ~~such~~ other officers, employees, and agents as he may deem necessary to discharge the functions of ~~his~~ *the* department, define the duties of ~~such~~ *these* officers, employees, and agents and to delegate to them any of ~~his~~ powers, duties, and responsibilities subject to ~~his~~ *the* commissioner's control and under ~~such~~ conditions as ~~he~~ *the* commissioner may prescribe. Personnel employed pursuant to this subdivision are in the classified service of the state civil service.

Subd. 5. *The department of employee relations shall be organized into two divisions: the division of personnel and the division of labor relations. Each division shall be under the immediate charge of a deputy commissioner.*

*Subd. 6. The deputy commissioner for the division of personnel shall be appointed by and serve at the pleasure of the commissioner, and shall be in the unclassified service of the state. The deputy commissioner for the division of labor relations shall be appointed by and serve at the pleasure of the governor. The deputy commissioner for the division of labor relations shall have extensive background in labor relations and shall have experience in dealing with contracts similar in complexity to those negotiated between the state and exclusive representatives of state employees.*

*Subd. 7. Each division of the department of employee relations shall be responsible for administering the duties and functions that are assigned to it by law and by the commissioner of employee relations. Insofar as the duties of the divisions are not mandated by law, the commissioner may establish and revise the assignments of either division.*

*Subd. 8. The division of labor relations shall perform the duties assigned to the commissioner of employee relations by sections 3.855, 43.05, subdivision 3 and chapter 179.*

*The deputy commissioner for the division of labor relations shall be the chief state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of state employees.*

*Subd. 9. The division of personnel shall perform the duties assigned to the commissioner by section 43.05, subdivision 2, and shall perform other duties which the commissioner assigns to the division.*

Sec. 4. Minnesota Statutes 1978, Section 43.01, Subdivision 8, is amended to read:

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of ~~personnel~~ *employee relations*.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 43.05, Subdivision 2, is amended to read:

Subd. 2. [SPECIFIED DUTIES.] The commissioner shall:

(1) Attend all meetings of the board;

(2) Promulgate personnel rules for the purpose of carrying out the provisions of this chapter; these rules shall provide, among other things, for current records of efficiency, and standards of performance, for all employees subject to the provisions of this chapter; the manner of completing appointments and promotions; rejection of eligible candidates; examinations; retention of examination records under the provisions of section 138.163; creation of eligible lists, with successful candidates ranked according to their ratings in the examinations; ~~leaves of absence with and without pay;~~ transfers, ~~and~~ reinstatements; ~~layoffs, vacations, and hours of work;~~ public notice of examinations; ~~procedure for changes in~~

rates of pay; compulsory retirement at fixed ages; and other conditions of employment. If a rule is made concerning sick leave for illness in the immediate family of an employee, the term "immediate family" shall be limited to the spouse, minor or dependent children, or parent where the parent has no other person to provide the necessary nursing care, living in the household of the employee;

(3) Operate an information system from which data can be retrieved concerning employees in agencies under his jurisdiction showing their employment histories including the date of appointment, demotion, reinstatement, increases or decreases in pay, the compensation and title of the position, changes in title, transfers, and separations from the service; and the commissioner shall have access to all public and private personnel data kept by an appointing authority, the examination of which will aid in the discharge of his duties;

(4) Prepare, in accordance with the provisions of this chapter and the rules adopted hereunder, examinations, eligible lists, and ratings of candidates for appointment;

(5) Make certifications for appointment within the classified service, in accordance with the provisions of this chapter;

(6) Make investigations concerning all matters touching the enforcement and effect of the provisions of this chapter and the personnel rules prescribed hereunder;

(7) Discharge such duties as are imposed upon him by this chapter;

(8) Establish, publish and continually review logical career paths in the classified civil service;

(9) Consider all requests for other than state appropriated funds from any state department or agency for personnel purposes all of which shall be submitted to him for comment before any such request is made of a federal, local, or private agency; and

(10) Prepare rules regulating the temporary designation of positions in the unclassified civil service;

(11) Review, establish or change titles for the positions in the unclassified civil service in the executive branch of state government except those established by law or by the constitution, to make titles descriptive of positions and consistent throughout the state service; and

(12) In conformance with the rule making provisions of chapter 15, promulgate a code of ethics establishing standards of conduct to be observed by state employees in the performance of their official duties.

Sec. 6. Minnesota Statutes 1978, Section 43.05, is amended by adding a subdivision to read:

*Subd. 3. The commissioner, through the division of labor relations, shall:*

*(a) Represent the state at hearings conducted by the director of the bureau of mediation services relating to state employees;*

*(b) Represent the state in all collective bargaining between the state and exclusive representatives, and represent the state in mediation and arbitration of collective bargaining disputes;*

*(c) Report to the legislative commission on employee relations pursuant to section 3.855;*

*(d) Be responsible for state management interpretation of all contracts between the state and exclusive representatives and provide state management personnel with training in the interpretation and application of these contracts;*

*(e) Oversee the administration of all written grievances arising under contracts between the state and an exclusive representative. The commissioner shall establish procedures which appointing authorities shall follow to enable the commissioner to monitor the grievance procedure at all steps;*

*(f) Have final authority to decide if a grievance shall be submitted to arbitration or if it shall be settled without arbitration;*

*(g) Represent the state at all grievance arbitrations;*

*(h) Collect and analyze all information necessary to carry out the responsibilities of this subdivision.*

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 43.067, Subdivision 1, is amended to read:

43.067 [SALARY LIMITS.] Subdivision 1. [AGENCY HEADS AND DEPUTIES.] The base salary of the head of any state department or other agency in the executive branch shall serve as the upper limit of compensation in the agency. ~~The base salary of the chancellor of the state university system is the upper limit of compensation of state university presidents. The base salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. Within the agency, no person other than the agency head shall be paid more than the base salary that is or would be paid a deputy agency head pursuant to section 15A.081 whether or not there is a deputy agency head position for that agency.~~

Sec. 8. Minnesota Statutes 1978, Section 43.111, is amended to read:

43.111 [POLICY.] It is the public policy of the state of Minnesota that an efficient and well trained work force be maintained to carry out the work ordained by the legislature. It is further directed that modern methods of selection, training and salary administration be established and maintained. The standards of selection shall be of such a nature as to based on merit and provide

for the proper level of preparation and experience. Recognizing the cost of excessive employee turnover, it is directed that priority be given to the maintenance of a steady work force. To this end, training, by way of in-service programs and stipend allowances shall be encouraged. It is also established as the policy of the state of Minnesota that employees be paid a total compensation which is competitive with that paid for like positions in other private and public employment. Proper attention ~~will also~~ shall be given to equitable internal pay compensation relationships between related job classes and among the various levels within the same job family or department, *with the understanding that the collective bargaining relationship between the state and its employees established through the provisions of chapter 179 must take precedence.* Continuing analysis of pay rates ~~and~~, supplementary pay practices ~~shall be carried on,~~ as well as ~~and~~ analyses of jobs to determine comparability of job content *shall be carried on.*

Sec. 9. Minnesota Statutes 1978, Chapter 43, is amended by adding a section to read:

[43.112] [COMPENSATION, TERMS, AND CONDITIONS OF EMPLOYMENT.] *Subdivision 1. [REPRESENTED EMPLOYEES.] To the extent they are lawfully covered by a written agreement or arbitration award, the compensation, terms and conditions of employment for all state employees represented by an exclusive representative certified pursuant to chapter 179 shall be governed by the written agreement or award executed by the parties and approved by the legislature.*

*Subd. 2. [NON-REPRESENTED EMPLOYEES.] The compensation, terms and conditions of employment of all state employees not represented by an exclusive representative certified pursuant to chapter 179 shall be solely governed by statute, rule and the plan developed by the commissioner and approved by the legislature pursuant to sections 3.855 and 179.74, subdivision 5, and section 10.*

*Subd. 3. [MERIT SYSTEM TO CONTROL.] The provisions of chapter 43 governing the recruitment and selection of state employees on the basis of their relative ability, knowledge and skills, including sections 43.111, 43.13 to 43.15, 43.17, 43.18, subdivisions 1 to 3, 43.19, subdivisions 2 and 3, 43.20, 43.21 and 43.30, shall not be modified, waived or abridged by any contract executed by the state pursuant to chapter 179.*

Sec. 10. Minnesota Statutes 1978, Chapter 43, is amended by adding a section to read:

[43.113] [PLAN FOR COMPENSATION, TERMS AND CONDITIONS OF EMPLOYMENT FOR NON-REPRESENTED EMPLOYEES.] *Subdivision 1. The commissioner of employee relations shall periodically submit to the legislative commission on employee relations a plan to govern the compensation, terms and conditions of employment for all state employees not represented by an exclusive representative certified pursuant to chapter 179 or*

*whose compensation is not otherwise provided for by law. The commission shall review the plan and submit it to the legislature along with any recommendations it deems appropriate. The plan need not be adopted in accordance with the rulemaking provisions of chapter 15. The plan shall not take effect until approved by the legislature, provided that the legislative commission may give interim approval to a plan and subsequently submit it to the entire legislature for ratification in the same manner as provided for negotiated agreements and arbitration awards under section 179.74, subdivision 5.*

*Subd. 2. In establishing and recommending compensation for any position within the plan, the commissioner of employee relations shall assure that:*

*(1) Compensations in the classified and unclassified service bear equitable relationships to one another;*

*(2) Compensation for state positions bears equitable relationships to compensation for similar positions outside state service; and*

*(3) Compensation for management positions bears equitable relationships to compensation of represented employees managed.*

*Compensations bear equitable relationships to one another within the meaning of this subdivision if compensation for positions which require comparable knowledge, abilities, duties, responsibilities and accountabilities are comparable and if compensation for positions which require differing knowledge, abilities, duties, responsibilities and accountabilities are proportional to the knowledge, abilities, duties and responsibilities required.*

**Sec. 11. Minnesota Statutes, 1979 Supplement, Section 43.19, Subdivision 1, is amended to read:**

**43.19 [VACANCIES; PROMOTIONS; DISMISSALS.]** Subdivision 1. **[VACANCIES FILLED BY PROMOTION.]** (1) Vacancies in positions shall be filled, so far as practicable, by promotion from among persons holding positions in the executive branch of the state civil service, or the legislative branch of state civil service, and classified positions on the staff of the legislative auditor, Minnesota state retirement system and teachers retirement association and, subject to such *those* exceptions as the commissioner may provide, from the lower class and in accordance with section 43.18 and personnel rules. Except as provided in clause (2), promotions shall be based upon merit and fitness, to be ascertained by competitive examinations in which the employee's efficiency and job-related conduct shall constitute a factor. For positions defined by personnel rule as "non-managerial" seniority shall *may* also constitute a factor.

(2) The commissioner may authorize the appointing authority of any state agency to promote any employee in that agency to a

higher class provided his position has been reallocated as the result of gradual changes in the job which have occurred over a period of time and he has performed satisfactorily in the position.

*(3) On or before January 1, 1981, the commissioner shall submit a report to the legislative commission on employee relations recommending methods of improving the state's efforts to insure equal employment opportunity pursuant to section 43.15. The report shall include recommendations with respect to both hiring and promotions along with an analysis of the effects of seniority requirements on promotional practices.*

Sec. 12. Minnesota Statutes 1978, Section 43.245, is amended to read:

**43.245 [PERFORMANCE APPRAISAL SYSTEM.]** The commissioner shall design and implement an employee performance appraisal system for the classified *and unclassified* service. This system shall be based on uniform position description and results oriented performance standards formats. The commissioner, in consultation with the departments, shall develop criteria and content as necessary so long as the system is uniform for all departments. The commissioner shall establish and enforce rules with respect to the utilization of the results of this performance appraisal system in all decisions relating to the status of employees. ~~The commissioner may further by rule prescribe the extent to which these reports shall be open to inspection by the public and by the affected employee.~~ Each employee in the classified and unclassified service in the executive branch shall be evaluated and counseled at least once a year on his work performance. *Individual pay increases for all state employees not represented by an exclusive representative certified pursuant to chapter 179 shall be based on such the evaluation and other factors the commissioner includes, and the legislature approves, in the plan developed pursuant to section 10. Written agreements negotiated pursuant to chapter 179 may, and are encouraged to, provide for pay increases based on employee performance.*

Sec. 13. Minnesota Statutes 1978, Section 43.321, is amended to read:

**43.321 [GRIEVANCE PROCEDURE.]** The commissioner shall promulgate by ~~personnel~~ rule procedures relating to grievances of any state officer or employee in the executive branch and provide the circumstances under which the grievance procedure is available, except that no state employee may avail himself of more than one grievance procedure on any one complaint *or use the procedure set forth in the rule if he is a member of a bargaining unit that has by agreement negotiated pursuant to chapter 179 provided for methods and procedures to resolve that type of grievance.*

Sec. 14. Minnesota Statutes 1978, Section 43.45, is amended to read:

**43.45 [CONTRACTING AUTHORITY.]** Subdivision 1. The commissioner is authorized to request bids from carriers or to

negotiate with carriers and to enter into contracts with carriers which in the sole judgment of the commissioner are best qualified to underwrite and service the benefit plans. The commissioner shall consider such factors such as the cost and conversion options relating to the contracts as well as the service capabilities, character, financial position, and reputation with respect to such of the carriers and any other factors which the commissioner may deem *deems* appropriate. Each such benefit contract shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. *Effective October 1, 1980, the commissioner shall, to the extent feasible, make basic hospital and medical benefits available from at least three carriers at least one each of whom shall be licensed to do business pursuant to chapters 62A, 62C and 62D. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in excessive additional administrative costs. Any carrier licensed pursuant to chapter 62A shall be exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.*

Subd. 2. Each contract under sections 43.42 to 43.49 shall contain a detailed statement of benefits offered and shall include such any maximums, limitations, exclusions, and other definitions of benefits as the commissioner may deem necessary or desirable. *Each contract shall provide benefits at least equal to those required by section 62E.06, subdivision 2.*

Subd. 3. The commissioner shall make available, through such any carriers as ~~it~~ the commissioner may authorize, as many optional coverages as ~~it~~ *deems deemed* feasible and advantageous to eligible state employees and their dependents which ~~said~~ the employees may pay for at their own expense ~~to be paid for~~ through payroll deductions.

Subd. 4. *The commissioner shall appoint and serve as chairman of an insurance advisory council consisting of thirteen members. Two members shall be selected from names submitted by exclusive representatives of state employees. One member shall be selected from names submitted by exclusive representatives of employees of the University of Minnesota. One member shall be selected from names submitted by organizations representing retired state employees. One member shall be selected from names submitted by the regents of the University of Minnesota. Two members shall be selected from names submitted by carriers. The commissioners of administration, insurance, health and finance, and the deputy commissioner for labor relations or their designees, shall serve as the other members. Except as provided in this section, the provisions of section 15.059 shall apply to the members of the council. The council shall advise the commissioner in the selection of carriers and the implementation of collective bargaining agreements. Evidence of discussions, recommendations or decisions by the council shall not be submitted to any court or arbitrator in any matter involving state or University of Minnesota employees.*

Sec. 15. Minnesota Statutes 1978, Section 43.46, is amended to read:

**43.46 [CONTRIBUTIONS BY STATE.]** *Subdivision 1. The total contribution by the state for each state employee under sections 43.42 to 43.49 and for dependents of state employees shall be otherwise prescribed by law and which, rule, a plan prepared pursuant to section 10, or a collective bargaining agreement or arbitration award. The contribution shall be applied to provide basic hospital benefits, basic medical benefits, basic dental benefits, an annual health evaluation and screening program and basic life insurance of such in amounts as may be determined from time to time by the commissioner or in a collective bargaining agreement or arbitration award.*

*Subd. 2. [EMPLOYEE COVERAGE.] The amount of premium paid by the state for represented employees for state employees' basic hospital benefits, basic medical benefits and basic dental benefits coverage shall be negotiated between the state and exclusive representatives of state employees. Except as provided in this subdivision, the amount paid for each state employee's coverage shall be uniform for all employees in the same bargaining unit. Employees who select a carrier whose premium is in excess of the state payment shall be required to pay the difference. Employees who select a carrier whose premium is less than the state payment shall be given the option of using the difference to obtain benefits in addition to the standard negotiated packages or being paid the difference as additional compensation.*

*Subd. 3. [DEPENDENT COVERAGE.] The amount of premium paid by the state for state employees' dependents' basic hospital benefits, basic medical benefits and basic dental benefits coverage shall be negotiated between the state and exclusive representatives of state employees. Except as provided in this subdivision, the amount paid for each state employee's dependent coverage shall be uniform for all employees in the same bargaining unit. Employees who select a carrier whose premium is in excess of the state payment shall be required to pay the difference. Employees who select a carrier whose premium is less than the state payment shall be given the option of using the difference to obtain benefits in addition to the standard negotiated packages or being paid the difference as additional compensation.*

*Subd. 4. [UNREPRESENTED EMPLOYEES.] The commissioner shall establish the level of state payment of premiums paid by the state for all state employees who do not have an exclusive representative and for their dependents. The levels of payment shall be included in the plan prepared pursuant to section 10. Payments shall be made in the manner provided for in subdivisions 2 and 3.*

Sec. 16. Minnesota Statutes, 1979 Supplement, Section 43.50. Subdivision 1, is amended to read:

**43.50 [PAYMENT OF PREMIUMS.]** *Subdivision 1. Each department of the state government shall pay the amounts due for*

basic life insurance, basic dental insurance, and basic *hospital benefits and basic health medical* benefits coverage authorized for eligible state employees as provided by this chapter *and in contracts with exclusive representatives of state employees*. Effective July 1, 1970, each department of the state government shall contribute up to \$64 per year toward the cost of the approved annual health evaluation and screening program for each eligible employee who elects to participate and who elects health insurance coverage under Blue Cross and Blue Shield of Minnesota. Eligible employees who elect coverage under a health maintenance organization shall only be eligible to receive this benefit if the health maintenance organization in which the employee is enrolled does not make available without additional cost, on an annual basis, the tests performed for state employees by the approved program.

Additionally, and notwithstanding any law to the contrary, effective the first day of the first payroll period commencing on or after July 1, 1970, each department of the state government shall contribute up to \$60 per month or 90 percent of the cost, whichever is greater, toward the cost of dependent hospital-medical insurance coverage premiums for their eligible employees who have eligible dependents. Each department shall also contribute one-half the difference between single and family dental coverage per month for all eligible employees carrying dependent dental insurance coverage. To enable employees to receive benefit from this provision, open enrollment periods from August 15 through September 30, 1979 and from August 15 through September 30, 1980, are established. During open enrollment periods employees may enroll their dependents in dental coverage and hospital-medical coverage without proof of insurability. Effective January 1, 1981, The changed benefits provided in this section shall apply to eligible members of the legislature and their eligible dependents *when they become eligible for the benefits*. Each of the departments shall pay *such the* amounts from accounts and funds from which the department receives its revenues, including appropriations from the general fund and from any other fund, now or hereafter existing for the payment of salaries and in the same proportion as it pays therefrom the amounts of salaries. In order to enable the commissioner of finance to maintain proper records covering the appropriations pursuant to this section, he may require certifications in connection therewith as he may deem necessary from any state agency, the Minnesota historical society, or the University of Minnesota whose employees receive benefits pursuant to this chapter. The accounts and funds referred to from which departments receive appropriations under the terms of this section are hereby declared to be a source of revenue for the purposes of any other law or statutory enactment.

Sec. 17. Minnesota Statutes, 1979 Supplement, Section 62D.22, Subdivision 7, is amended to read:

Subd. 7. A licensed health maintenance organization shall be deemed to be a prepaid group practice plan for the purposes of chapter 43 and shall be allowed to participate as a carrier for state employees subject to any negotiated labor agreement and rea-

sonable restrictions applied to all carriers. *The commissioner of employee relations may refuse to allow a health maintenance organization to continue as a carrier if it was selected by less than 500 employees in the preceding benefit year.*

Sec. 18. Minnesota Statutes 1978, Section 179.63, Subdivision 8, is amended to read:

Subd. 8. "Confidential employee" means any employee who works in the personnel offices of a public employer or who has access to information subject to use by the public employer in meeting and negotiating or who actively participates in the meeting and negotiating on behalf of the public employer. *Provided that when the reference is to executive branch employees of the state of Minnesota "confidential employee" means any employee who has access to information subject to use by the public employer in meeting and negotiating or who actively participates in the meeting and negotiating on behalf of the public employer.*

Sec. 19. Minnesota Statutes, 1979 Supplement, Section 179.63, Subdivision 11, is amended to read:

Subd. 11. "Essential employee" means firefighters, ~~police peace officers subject to licensure pursuant to sections 626.84 to 626.855, highway patrolmen, guards at correctional institutions facilities, and employees of hospitals other than state hospitals and registered nurses, as defined in section 148.171, engaged in the practice of professional nursing and employed in a state hospital or state nursing home~~ ; *provided that with respect to state employees, "essential employee" means all employees in the law enforcement, health care professional, correctional guards and supervisory collective bargaining units and no other employees. The term "firefighters" means all full time fire department personnel who are members of either the public employees police and fire fund or a local firefighters' relief association subject to the provisions of Minnesota Statutes, Section 69.77.*

Sec. 20. Minnesota Statutes 1978, Section 179.64, is amended by adding a subdivision to read:

*Subd. 1a. [STRIKES AUTHORIZED.] (a) Nonstate public employees, other than confidential, essential, and supervisory employees, principals, and assistant principals may strike at any time after the scheduled expiration date of a written contract if no new agreement or arbitration award is in effect. (b) Nonessential state employees may strike at any time after the scheduled expiration date of a written contract if (1) there is no new agreement or arbitration award in effect, (2) the legislative commission on employee relations has not given interim approval to a negotiated agreement or arbitration award pursuant to section 179.74, subdivision 5, within 30 days after its receipt, or (3) the entire legislature rejects or fails to ratify a negotiated agreement or arbitration award, which has been approved by the legislative commission on employee relations, at a special legislative session called to consider it or at its next regular legislative session, whichever occurs first.*

*(c) No strike may commence until the expiration of a ten day prior written notification by the exclusive representative to the public employer and the bureau of mediation services of the intent to strike. If more than 30 days have expired after a notice of intent to strike, a new ten day prior written notification of intent to strike shall be required. Except as authorized in this subdivision, all strikes by public employees shall be illegal.*

Sec. 21. Minnesota Statutes 1978, Section 179.64, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding any other provision of law, any public employee who ~~violates strikes in violation of~~ the provisions of this section may have his appointment or employment terminated by the employer effective the date the violation first occurs. ~~Such~~ The termination shall be effective ~~upon made by serving written notice served~~ upon the employee. Service may be made by certified mail.

Sec. 22. Minnesota Statutes 1978, Section 179.64, Subdivision 3, is amended to read:

Subd. 3. For purposes of this subdivision an employee who is absent from any portion of his work assignment without permission, or who abstains wholly or in part from the full performance of his duties without permission from his employer on the date or dates when a strike *not authorized by this section* occurs is prima facie presumed to have engaged in a *an illegal strike on such the date or dates involved.*

Sec. 23. Minnesota Statutes 1978, Section 179.64, Subdivision 4, is amended to read:

Subd. 4. A public employee who knowingly ~~violates participates in a strike in violation of~~ the provisions of this section and whose employment has been terminated pursuant to this section ; may ; ~~subsequent to such violation, subsequently~~ be appointed or reappointed, employed or reemployed, but the employee shall be on probation for two years with respect to ~~such the~~ civil service status, tenure of employment, or contract of employment, ~~as to which he may have theretofore been was previously~~ entitled.

No employee shall be entitled to any daily pay, wages, *reimbursement of expenses*, or per diem for the days on which he engaged in a strike.

Sec. 24. Minnesota Statutes 1978, Section 179.64, Subdivision 5, is amended to read:

Subd. 5. Any public employee, ~~upon request,~~ shall be entitled, ~~as hereinafter provided,~~ *to request the opportunity* to establish that he did not violate the provisions of this section. ~~Such~~ The request ~~must shall~~ be filed in writing with the officer or body having the power to remove ~~such the~~ employee, within ten days after notice of termination is served upon him; ~~whereupon such.~~ The employing officer, or body, shall within ten days commence a

proceeding at which ~~such person~~ *the employee* shall be entitled to be heard for the purpose of determining whether the provisions of this section have been violated by ~~such the~~ public employee, and. If there ~~be~~ *are contractual grievance procedures, laws and regulations or rules* establishing proceedings to remove ~~such the~~ public employee, the hearing shall be conducted in accordance ~~therewith~~ *with whichever procedure the employee elects provided that such election shall be binding and shall terminate any right to the alternative procedures.* The ~~proceedings may upon application to the court by an employer, an employee, or the employee organization and may apply to district court for the issuance of an appropriate order by the court to include more than one employee's employment status in the same proceeding if the employees' defenses are identical, analogous or reasonably similar.~~ *Such* ~~The~~ proceedings shall be undertaken without unnecessary delay. Any ~~person whose termination is sustained in the administrative or grievance proceeding may secure a review of his removal by serving a notice so requesting of appeal upon the employer removing him within 20 days after the results of the hearing referred to herein have been announced.~~ *This notice, with proof of service thereof, shall be filed within ten days after service, with the clerk of the district court in the county where the employer has its principal office or in the county where the employee last was employed by the employer. The district court shall thereupon have jurisdiction to review the matter in the same manner as on appeal from administrative orders and decisions. This hearing shall take precedence over all matters before the court and may be held upon ten days written notice by either party. The court shall make such order in the premises as is it deems proper; and. An employer may obtain review of a decision to reinstate an employee in the same manner as provided for appeals by employees in this subdivision. An appeal may be taken therefrom from the district court order to the supreme court.*

Sec. 25. Minnesota Statutes, 1979 Supplement, Section 179.65, Subdivision 6, is amended to read:

Subd. 6. Supervisory and confidential employees, principals and assistant principals may form their own organizations. An employer shall extend exclusive recognition to a representative of or an organization of supervisory or confidential employees, or principals and assistant principals, for the purpose of negotiating terms or conditions of employment, in accordance with all other provisions of sections 179.61 to 179.76, as though they were essential employees. ~~Units of Supervisory or confidential employees employee organizations shall not participate in any capacity in any joint negotiations which involve the participation of units of employees other than supervisory or confidential employees. Affiliation of a supervisory or confidential employee organization with another employee organization which has as its members non-supervisory employees or non-confidential employees is permitted.~~

Sec. 26. Minnesota Statutes 1978, Section 179.67, Subdivision 4, is amended to read:

Subd. 4. Any employee organization may obtain a certification election upon petition to the director wherein it is stated that at least 30 percent of the employees of a proposed employee unit wish to be represented by the petitioner or that the certified representative no longer represents the majority of employees in the unit. Any employee organization may obtain a representation election upon petition to the director wherein it is stated that the currently certified representative no longer represents the majority of employees in an established unit and that at least 30 percent of the employees in the established unit wish to be represented by the petitioner rather than by the currently certified representative. An individual employee or group of employees in a unit may obtain a decertification election upon petition to the director wherein it is stated that the certified representative no longer represents the majority of the employees in an established unit and that at least 30 percent of the employees wish to be unrepresented.

Sec. 27. Minnesota Statutes 1978, Section 179.69, Subdivision 1, is amended to read:

179.69 [PROCEDURES.] Subdivision 1. [MEDIATION PETITION.] When any employees or representative of employees shall desire to meet and negotiate an agreement establishing terms and conditions of employment, they shall give written notice to the employer and the director, and it shall thereupon be the duty of the employer to recognize the employee representative for purposes of reaching agreement on terms and conditions of employment of the employees or the employer shall within ten days of receipt of the written notice object or refuse to recognize the employees' representative or the employees as an appropriate unit. The employer or employees' representative may thereupon petition the director to take jurisdiction of the matter whereupon the director shall then be authorized and shall perform those duties as provided in section 179.71, subdivision 2(a) and (b).

Upon the certified exclusive representative and the employer reaching agreement on terms and conditions of employment or being subject to a valid arbitration award, they shall execute a written contract or memorandum of contract containing the terms of such the negotiated agreement or arbitration award. The contracts or memoranda shall in every instance be subject to the provisions of section 179.70.

A petition by an employer shall be signed by him or his duly authorized officer or agent; and a petition by an exclusive representative shall be signed by its authorized officer. In either case the petition shall be served by delivering it to the director in person or by sending it by certified mail addressed to him at his office. The petition shall state briefly the nature of the disagreement of the parties. Upon receipt of a petition, the director, or by September 1, whichever date is earlier shall fix a time and place for a conference with the parties to negotiate the matter upon the issues involved not agreed upon in the matter, and he shall then take whatever steps he deems most expedient to bring about a

settlement of the matter, including assisting in negotiating and drafting an agreement. It shall be the duty of all parties to respond to the summons of the director for joint or several conferences with him and to continue in such conference until excused by the director.

Sec. 28. Minnesota Statutes 1978, Section 179.69, Subdivision 3, is amended to read:

Subd. 3. [BINDING ARBITRATION PETITION.] The director shall only certify a matter to the board for *binding arbitration pursuant to section 179.72* when either or both parties, except for in the case of essential employees, *jointly* petition for binding arbitration stating that an impasse has been reached and the director has determined that further mediation efforts under subdivision 1 would serve no purpose. Upon such *the filing of the* petition and determination by the mediator, the parties shall each submit their respective final positions on matters not agreed upon. If the employer has petitioned for binding arbitration and the director has determined that an impasse has been reached said proceedings shall begin within 15 days thereof and be binding on both parties. The director shall determine the matters not agreed upon based upon *the positions submitted and* his efforts to mediate the dispute. If the employee representative has petitioned for binding arbitration the employer shall have 15 days after the director of mediation has determined that an impasse has been reached to reject the request or agree to submit matters not agreed upon to binding arbitration. If the employer does not respond within 15 days it shall be regarded as a rejection and said rejection shall be a refusal by the employer within the meaning of section 179.64, subdivision 7. Under a petition by either party the parties may stipulate those agreed upon items to be excluded from arbitration.

Sec. 29. Minnesota Statutes 1978, Section 179.71, Subdivision 3, is amended to read:

Subd. 3. The director shall determine appropriate units, *except where appropriate units are defined by section 35*. In determining the appropriate unit he shall take into consideration, along with other relevant factors, the principles and the coverage of uniform comprehensive position classification and compensation plans of the employees, involvement of professions and skilled crafts and other occupational classifications, relevant administrative and supervisory levels of authority, geographical location, and the recommendation of the parties, and shall place particular importance upon the history and extent of organization and the desires of the petitioning employee representatives.

In addition, with regard to the inclusion or exclusion of supervisory employees, the director must find that an employee may perform or effectively recommend a majority of those functions referred to in section 179.63, subdivisions 9 or 9a, before an employee may be excluded as supervisory. However, in every case the administrative head, and his assistant, of a municipality, municipal utility, police or fire department shall be considered a supervisory employee.

He shall not designate an appropriate unit which includes employees subject to section 179.63, subdivision 11, with employees not included in section 179.63, subdivision 11.

Sec. 30. Minnesota Statutes 1978, Section 179.71, Subdivision 5, is amended to read:

Subd. 5. In addition to all other duties imposed by this section, the director shall:

(a) ~~retain provide~~ mediation jurisdiction ~~over services as requested by the parties for purposes of this subdivision until such time as the parties reach agreement; provided, however, he may continue to assist parties after the parties have submitted their final positions as provided or required under section 179.72, subdivision 6; or section 179.69, subdivision 6;~~

(b) issue notices, subpoenas and orders as may be required by law to carry out his duties under sections 179.61 to 179.77. Issuance of orders shall include those orders of the Minnesota public employment relations board;

(c) certify to the Minnesota public employment relations board those items of dispute between parties to be subject to the action of the Minnesota public employment relations board under section 179.69, subdivision 3;

(d) assist the parties in formulating petitions, notices, and other papers required to be filed with the director or the board;

(e) certify the final results of any election or other voting procedure conducted pursuant to sections 179.61 to 179.77;

(f) furnish clerical and administrative services to the Minnesota public employment relations board as may be required;

(g) adopt reasonable and proper rules ~~and regulations~~ relative to and regulating the forms of petitions, notices, orders and the conduct of hearings and elections subject to final approval of the Minnesota public employment relations board. ~~Such~~ *The rules and regulations* shall be printed and made available to the public and a copy delivered with each notice of hearing; provided, that ~~every such any rule or regulation~~ shall be filed with the secretary of state, and any change therein or additions thereto shall not take effect until 20 days after ~~such the~~ filing;

(h) receive, catalogue and file in a logical manner all orders and decisions of the Minnesota public employment relations board and all arbitration panels authorized by sections 179.61 to 179.77 as well as all grievance arbitration decisions and the director's own orders and decisions. All orders and decisions catalogued and filed shall be made readily available to the public;

(i) promulgate a grievance procedure to effectuate the purposes of section 179.70, subdivision 1. ~~Such~~ *The grievance procedure* shall not provide for the services of the bureau of mediation service. The exercise of authority granted by this clause shall be subject to the provisions of chapter 15; ~~said. The grievance~~

ance procedure ~~to~~ shall be available to any public employee employed in a unit not covered by a negotiated grievance procedure as contained in section 179.70, subdivision 1;

(j) conduct elections;

*(k) assign state employee classifications to the appropriate units provided in section 35, when the classifications have not been assigned pursuant to section 35, or have been significantly modified in occupational content subsequent to assignment pursuant to section 35, and assign supervisory employees to the appropriate units provided in section 35 when the positions have not been assigned pursuant to section 35 or have been significantly modified in occupational content. The assignment of the classes shall be made on the basis of the community of interest of the majority of employees in these classes with the employees within the statutory units and all the employees in the class, excluding supervisory and confidential employees, shall be assigned to a single appropriate unit.*

Sec. 31. Minnesota Statutes 1978, Section 179.72, Subdivision 6, is amended to read:

Subd. 6. When final positions are certified to the board as provided in section 179.69, subdivision 3. ~~or submitted to the board as provided in section 179.69, subdivision 6;~~ the board shall constitute an arbitration panel as follows:

The parties shall, under the direction of the chairman of the board, alternately strike names from a list of seven arbitrators until only three names remain, which three members shall be members of the panel; provided, however, that if either party requests the parties shall select a single arbitrator to hear the dispute. If the parties are unable to agree on who shall strike the first name, the question shall be decided by the flip of a coin. In submitting names of arbitrators to the parties the board shall endeavor whenever possible to include names of persons from the general geographical area in which the public employer is located. The panel shall assume and have jurisdiction over the items of dispute certified to the board for which the panel was constituted. The panel's orders shall be issued upon a majority vote of members considering a given dispute. The members of the panel shall be paid their actual and necessary traveling and other expenses incurred in the performance of their duties plus a per diem allowance of \$180 for each day or part thereof while engaged in the consideration of a dispute. All fees, expenses and costs of the panel shall be shared and assessed equally to the parties to the dispute. In those cases where a single arbitrator is hearing a dispute, the fees, expenses and costs of the arbitrator shall also be shared and assessed equally by the parties to the dispute.

Sec. 32. Minnesota Statutes 1978, Section 179.74, Subdivision 3, is amended to read:

Subd. 3. In all negotiations between the state and exclusive representatives the state shall be represented by the commissioner

of *personnel employee relations* or his representative. The attorney general, and each appointing authority shall cooperate with the commissioner of *personnel employee relations* in conducting negotiations and shall make available such any personnel and other resources as are necessary to enable the commissioner to conduct effective negotiations.

Sec. 33. Minnesota Statutes, 1979 Supplement, Section 179.74, Subdivision 4, is amended to read:

Subd. 4. The commissioner of *personnel employee relations* shall meet and negotiate with the exclusive representative of *appropriate the units specified in section 35*, in the manner prescribed by sections 179.61 to 179.77 ; ~~provided, however, that the director of mediation services shall define appropriate units of state employees as all the employees under the same appointing authority except where professional, geographical or other considerations affecting employment relations clearly require appropriate units of some other composition. However, the appropriate units provided for in section 35 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 *personnel employee relations* in accordance with the provisions of section 43.326 and so designated 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, *the positions of all unclassified employees in the offices of the governor, lieutenant governor, secretary of state, attorney general, treasurer and auditor, all positions in the bureau of mediation services, all hearing examiners examiner positions in the office of hearing examiners, and the positions of all confidential employees who work in the personnel offices of an appointing authority in the executive branch and who have access to information subject to use by the appointing authority in meeting and negotiating or who actively participate in the meeting and negotiating on behalf of the state,* shall be excluded from any appropriate unit. Regardless of unit determination, The governor may upon the unanimous written request of exclusive representatives of units and *appointing authorities the commissioner* direct that negotiations be conducted for one or more *appointing authorities 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. 34. Minnesota Statutes, 1979 Supplement, Section 179.74, Subdivision 5, is amended to read:

Subd. 5. The commissioner of *personnel employee relations* is authorized to and may enter into agreements with *exclusive representatives of the units specified in section 35*. The provisions of the negotiated agreements and arbitration awards shall be submitted to the legislature to be accepted or rejected *in accordance with this section and section 3.885*. A state employee whose exclusive representative, as defined by section 179.63, subdivision 6, has

not reached a proposed agreement with the state which has been submitted by the commissioner to the legislative commission on employee relations on or before April 15 of an odd numbered year, shall not receive the wage and economic fringe benefit increases provided pursuant to an agreement executed and approved under this subdivision. Disapproval by the legislative commission on employee relations pursuant to section 2.855 or failure of the legislature to approve a negotiated agreement or arbitration award with respect to wages and economic fringe benefits by the time of adjournment of the regular legislative session in an odd numbered year shall be a defense to a violation of section 179.64. In the event that a proposed agreement or arbitration award is rejected or is not approved by the legislature prior to its adjournment in an odd numbered year, the legislative commission on employee relations is authorized to give interim approval to a proposed agreement or arbitration award. The proposed agreement or arbitration award shall be implemented upon its approval by the commission and state employees covered by the proposed agreement or arbitration award shall not have the right to strike while the interim approval is in effect. The commission shall submit the agreement or arbitration award to the legislature for ratification at a special legislative session called to consider it or at its next regular legislative session. Wages and economic fringe benefit increases provided for in the agreement or arbitration award which were paid pursuant to the interim approval by the commission shall not be affected but such wages and benefit increases shall cease to be paid or provided effective upon the rejection of the agreement or arbitration award or upon adjournment by the legislature without acting upon the agreement or arbitration award. Rejection or failure to approve the agreement or arbitration award by the legislature prior to its adjournment in that session shall be grounds for a legal strike by affected nonessential state employees prior to the scheduled expiration date of the agreement or arbitration award which was given interim approval by the commission pursuant to section 179.64.

Sec. 35. Minnesota Statutes 1978, Chapter 179, is amended by adding a section to read:

[179.741] [STATE EMPLOYEES; APPROPRIATE UNITS.]  
*Subdivision 1. [STATE EMPLOYEES.] All appropriate units of state employees certified as of the effective date of this subdivision 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 15. 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 . . . . .*

*(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 . . . . .*

*(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 employee relations on . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(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 . . . . .*

*(15) Supervisory employees 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 . . . . .*

*Subd. 2. [SEVERANCE.] Each of the following groups of employees shall have the right, as specified in this subdivision, to separate from the general professional or supervisory units provided for in subdivision 1: attorneys and highway patrol-supervisors. This right shall be exercised by petition during the period commencing on the effective date of this section and concluding 30 days after that date or, after January 1, 1981, during the 60 day period commencing 270 days prior to the termination of a contract covering the units. If one of these groups of employees exercises the right to separate from the units they shall have no right to meet and negotiate, but shall retain the right to meet and confer with the commissioner of employee relations and with the appropriate appointing authority on any matter of concern to them. The manner of exercise of the right to separate shall be as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a state-wide basis wish to separate from the units may petition the director for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support for the petitioner from the employees, the director shall hold a single election to ascertain the wishes of the majority with respect to the issue of remaining within or severing from the supervisory or professional units provided in subdivision 1. This election shall be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from the unit in favor of separate meet and confer status for any one of these groups of employees, the director shall certify that result. This election shall, where not inconsistent with other provisions of this section, be governed by section 179.67. If a group of employees elects to sever they may rejoin that unit by following the same procedures specified above for severance, but may only do so during the periods provided for severance.*

*Sec. 36. Minnesota Statutes 1978, Chapter 179, is amended by adding a section to read:*

*[179.742] [TRANSITION TO NEW BARGAINING UNIT STRUCTURE FOR STATE EMPLOYEES.] Subdivision 1. [APPLICATION OF SECTION.] Notwithstanding section 179.65, subdivision 2, or any other law, this section shall govern, where contrary to other law, the initial certification and decertification of exclusive representatives for the appropriate units of state employees established by section 35. Subsequent to the initial certification and decertification pursuant to this section, the provisions of this section shall not apply.*

*Subd. 2. [EXISTING MAJORITY.] The director shall certify an employee organization and exclusive representative for an ap-*

appropriate unit established by section 35 upon a petition filed with the director by the organization within 30 days of the effective date of this section stating that the petitioner is certified pursuant to section 179.67 as the exclusive representative of a majority of the employees included within the unit established by section 35. Two or more employee organizations which represent the employees in a unit established by section 35, may petition jointly pursuant to this subdivision, provided that any organization may withdraw from a joint certification in favor of the remaining organization or organizations on 30 days notice without effect upon the rights and obligations of the remaining organization or organizations or the employer. The director shall make a determination on a timely petition within 15 days of its receipt.

**Subd. 3. [NO EXISTING MAJORITY.]** (1) The director shall certify an employee organization as exclusive representative for an appropriate unit established by section 35 upon a petition filed by the organization within 30 days of the effective date of this section stating that the petitioner is certified pursuant to section 179.67 as the exclusive representative of fewer than a majority of the employees included within the unit established by section 35, where no other employee organization so certified has filed a petition within 30 days of the effective date of this section under subdivisions 2 or 3, so long as a majority of the employees in the unit established by section 35 are represented by employee organizations pursuant to section 179.67 on the effective date of this section. Two or more employee organizations, each of which represents employees included in the unit established by section 35 may petition jointly pursuant to this clause, provided that any organization may withdraw from a joint certification in favor of the remaining organization or organizations on 30 days notice without effect upon the rights and obligations of the remaining organization or organizations or the employer. The director shall make a determination on a timely petition within 15 days of its receipt.

(2) If no exclusive representative is certified under subdivision 2 or subdivision 3, clause (1), and an employee organization petitions the director within 45 days of the effective date of this section stating that at least 30 percent of the employees included within a unit established by section 35 wish to be represented by the petitioner, where this 30 percent is evidenced by current dues deduction rights, signed statements plainly indicating that the signatories wish to be represented for collective bargaining purposes by the petitioner rather than by any other organization, or a combination thereof, the director shall conduct a secret ballot election to determine the wishes of the majority. The election shall be conducted within 75 days of the effective date of this section and shall, where not inconsistent with other provisions of this section, be governed by section 179.67.

**Subd. 4. [DECERTIFICATION.]** The director shall consider a petition for decertification of an exclusive representative certified under this section only when the petition is filed within 60 days of the initial certification or during the period provided in section 179.67, subdivision 4a, and only when the certification was made

*pursuant to subdivision 2 or 3, clause (1). The petition shall be considered under the provisions of section 179.67 except where they are inconsistent with this subdivision.*

**Subd. 5. [CONTRACT AND REPRESENTATION RESPONSIBILITIES.]** *Until June 30, 1981 exclusive representatives of units of state employees certified prior to the effective date of this section shall remain responsible for administration of their contracts and for all other contractual duties and shall enjoy the right to dues and fair share fee deduction and all other contractual privileges and rights. Exclusive representatives of state employees certified after the effective date of this section shall immediately upon certification have the responsibility of bargaining on behalf of employees within the unit and shall have the responsibility of administering grievances arising under previous contracts covering employees included within the unit which remain unresolved on June 30, 1981. Where the employer does not object, these responsibilities may be varied by agreement between the outgoing and incoming exclusive representatives. All other rights and duties of representation shall commence on July 1, 1981, except that exclusive representatives certified after the effective date of this section shall immediately upon certification have the right to all employer information and all forms of access to employees within the bargaining unit which would be permitted to the current contract-holder. This section shall in no way affect any existing collective bargaining contract.*

*Nothing in sections 1 to 40 shall prevent an exclusive representative certified after the effective date of sections 1 to 40 from assessing fair share or dues deductions immediately upon certification for employees in a unit established under section 35 if the employees were unrepresented for collective bargaining purposes prior to that certification.*

**Sec. 37.** Minnesota Statutes 1978, Chapter 179, is amended by adding a section to read:

**[179.743] [STATE EMPLOYEES.]** *When no prior determination has been made with respect to the supervisory or confidential status of a state employee or his predecessor and no agreement can be reached between the employer and petitioning employee organizations, the commissioner of employee relations may petition the director for a determination. The director shall not exclude any supervisory or confidential employee from an appropriate unit of nonsupervisory and nonconfidential state employees on the basis of a petition filed later than 30 days after the effective date of this section, except as provided in section 30. The director shall make all determinations under this subdivision within 60 days of receipt of a timely petition. The director shall have full discretion in his determination of the application of sections 179.63, subdivisions 8, 9, and 9a, and 179.71, subdivision 3, paragraph 2 in all cases arising under this subdivision. Notwithstanding any other law, his decision shall be final and no appeal whatsoever shall be heard. For the purposes of the certification of a bargaining agent for units provided in section 35, subdivision 1, employees sought to*

*be excluded by a timely and valid petition as supervisory or confidential shall be counted and shall vote separately in a fashion which shall permit them to be individually excluded or included after a determination as to their status. When a certification is dependent upon challenged employees, the director shall determine the status of the challenged employees prior to deciding the cases of challenged employees whose status need not be determined for a certification. In the latter situation the certification of a bargaining agent shall proceed irrespective of pending challenges.*

**Sec. 38.** Laws 1979, Chapter 332, Article I, Section 116, 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 1982-1983 biennium.* The provisions of sections 63, 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. 39.** Laws 1979, Chapter 332, Article 1, Section 114, is amended to read:

**Sec 114. [REPEALER.]** Effective July 1, 1981, Minnesota Statutes 1978, Sections 43.03; 43.06; 43.062; 43.063; 43.064; 43.065; 43.067; 43.068; 43.069; 43.07; 43.09; ~~43.11; 43.12, Subdivisions 2 to 27; 43.121; 43.122; 43.126; 43.127; 43.128; 43.13; 43.14; 43.162; 43.17; 43.18; 43.19; 43.20; 43.21; 43.22; 43.222; 43.223; 43.224; 43.23; 43.24; 43.245; 43.321; 43.322; 43.323; 43.324; 43.326; 43.327; 43.33; 43.44; 43.45; 43.46; 43.48 and 43.49; 43.50; and 43.51~~ are repealed.

**Sec. 40. [REPEALER.]** Minnesota Statutes 1978, Sections 43.003; 43.50, Subdivision 3; 179.64, Subdivision 1; 179.69, Subdivisions 4, 5, and 6; 482.18; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 5 and 179.64, Subdivision 7 are repealed.

**Sec. 41. [APPROPRIATION.]** Subdivision 1. *The sum of \$..... is appropriated for the period ending June 30, 1981, to the commissioner of employee relations for the expenses of the insurance advisory council established in section 14, subdivision 4.*

*Subd. 2. The amount of \$..... is appropriated for the period ending June 30, 1981, to the department of employee relations created pursuant to section 3. The personnel complement of the department of employee relations is increased by ... persons.*

*Subd. 3. The amount of \$..... is appropriated for the period ending June 30, 1981, to the bureau of mediation services for the purpose of implementing sections 35 to 37.*

**Sec. 42. [INSTRUCTIONS TO REVISOR.]** *In the next and all subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the term "department of employee relations" for "department of personnel" in every place where the latter is used. The revisor of statutes shall substitute the term "commissioner of employee relations" for "commissioner of personnel" in every place where the latter term is used.*

**Sec. 43. [EFFECTIVE DATE.]** *Section 15 shall be effective on July 1, 1981. The remaining provisions of this act are effective the day following final enactment but shall not alter the terms of any existing collective bargaining agreement before it expires."*

Delete the title in its entirety and insert:

"A bill for an act relating to public employees; creating a state department of employee relations; establishing appropriate units for state employees; providing for a right to strike; providing for interim contract approval by the legislative commission on employee relations; clarifying civil service laws; providing for health benefits; providing for a study of promotional systems; repealing the duty of the revisor of statutes regarding certain collective bargaining agreements; appropriating money; amending Minnesota Statutes 1978, Sections 43.001; 43.01, Subdivision 8; 43.05, by adding a subdivision; 43.111; 43.245; 43.321; 43.45; 43.46; 179.63, Subdivision 8; 179.64, Subdivisions 2, 3, 4, and 5, and by adding a subdivision; 179.67, Subdivision 4; 179.69, Subdivisions 1 and 3; 179.71, Subdivisions 3 and 5; 179.72, Subdivision 6; 179.74, Subdivision 3; and Chapters 43 and 179, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 3.855; 43.05, Subdivision 2; 43.067, Subdivision 1; 43.19, Subdivision 1; 43.50, Subdivision 1; 62D.22, Subdivision 7; 179.63, Subdivision 11; 179.65, Subdivision 6; and 179.74, Subdivisions 4 and 5; and Laws 1979, Chapter 332, Article I, Sections 114 and 116; repealing Minnesota Statutes 1978, Sections 43.003; 43.50, Subdivision 3; 179.64, Subdivision 1; 179.69, Subdivisions 4, 5, and 6; and 482.18; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 5; 179.64, Subdivision 7."

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1877: A bill for an act relating to labor; regulating migrant labor; requiring employers and recruiters to provide statements of hire to migrant workers; setting requirements for statements of hire and for payments of wages to migrant workers; providing for private causes of action.

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

Page 1, line 14, delete the second "and" and insert "or"

Page 1, line 18, after "travels" insert "more than 100 miles"

Page 1, line 21, delete "and" and insert "or" and delete ", either directly or"

Page 1, line 22, delete "indirectly through a recruiter,"

Page 2, after line 1, insert:

"Subd. 5. "To recruit" means to induce an individual, either directly or indirectly through an agent or recruiter, to travel to Minnesota to perform agricultural labor by an offer of employment or of the possibility of employment."

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

Page 2, line 4, delete "recruits,"

Page 2, delete lines 11 and 12, and insert "An employer that recruits any migrant worker shall cause to be provided to the migrant worker, at the time the worker is recruited, a written"

Page 2, line 18, delete "hired" and after "recruiter" insert "or agent"

Page 2, delete lines 24 and 25

Page 2, line 26, delete "(5)" and insert "(4)"

Page 2, line 28, delete "(6)" and insert "(5)" and delete "and"

Page 2, after line 28, insert:

"(6) The payment terms provided in section 3; and"

Page 2, delete lines 30 to 33

Page 3, delete lines 1 to 11

Page 3, line 12, delete "3" and insert "2"

Page 3, line 16, delete "performs seasonal agricultural labor for" and insert "is recruited by"

Page 3, line 18, delete everything after the period

Page 3, delete lines 19 and 20

Page 3, line 23, after "to" insert "offer to"

Page 3, line 24, delete "30" and insert "50"

Page 3, line 24, delete "per week" and insert "in any two week pay period"

Page 3, line 25, delete everything after "for"

Page 3, line 26, delete "available" and insert "the difference between 50 hours of work and the number of hours of work actually offered by the employer in that two week period"

Page 3, line 29, delete everything after the first "the"

Page 3, line 30, delete "actually performed" and insert "hourly wage rate, if any, specified in the statement of hire or the federal minimum wage, whichever is greater"

Page 3, line 30, delete "entire" and insert "minimum"

Page 3, line 31, after "employment" insert "specified in the statement of hire"

Page 4, line 1, delete "In no"

Page 4, delete lines 2 to 4 and insert "If the minimum period of employment begins or ends in the middle of a calendar week, the portion of each calendar week included at the beginning or end of the period shall be considered a calendar week if it includes at least four calendar days."

Page 4, line 10, delete "calendar" and insert "two"

Page 4, line 11, delete "week" and insert "period"

Page 4, line 15, delete "week" and insert "two week pay period"

Page 4, line 15, delete "five" and insert "the number of"

Page 4, line 16, after "hours" insert "of work actually offered by the employer that day"

Page 4, delete lines 17 to 19

Page 4, line 20, delete "7" and insert "6"

Page 4, line 26, delete "employed" and insert "recruited"

Page 4, line 31, delete "or recruiter or both"

Page 5, line 1, delete "the greater of the following"

Page 5, line 2, delete "amounts: either" and after "by" insert "the"

Page 5, line 3, delete "or plaintiffs"

Page 5, line 4, after "subdivision" insert ", whichever is greater"

Page 5, line 8, delete "a recruiter or"

Page 5, line 9, delete "or hired"

Page 5, line 12, delete "a recruiter or"

Page 5, line 13, delete "or hired"

Pages 5 and 6, delete section 6 and insert:

"Sec. 6. [USE OF WAGNER-PEYSER SYSTEM.] An employer who uses the federal work clearance order system under the Wagner-Peyser Act of 1933, 48 Stat. 113, as amended, is deemed to recruit the migrant workers who are thereby induced to travel to Minnesota to perform agricultural labor. The provisions of sections 1 to 5 shall not be construed to prohibit the use of the work clearance order system by any employer who recruits migrant workers; but use of the federal work clearance order system by an employer that recruits migrant workers shall not excuse the employer from compliance with the provisions of sections 1 to 5."

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2101: A bill for an act relating to state government; raising the limit on the balance allowed to remain in the state auditor's revolving fund; empowering the state auditor to establish a personnel recruitment, hiring, promotional, and salary plan in consultation with the commissioner of the department of personnel; amending Minnesota Statutes 1978, Section 6.58; and Chapter 6, by adding a section.

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

Page 3, line 3, after "*implement*" insert "*, for non-clerical positions in the office of the state auditor,*"

Page 3, line 5, delete "*in consultation with the commissioner of personnel*"

Page 3, line 5, after the period insert "*The plan shall be approved by the commissioner of personnel before becoming effective.*"

Amend the title as follows:

Page 1, line 6, delete "in"

Page 1, line 7, delete "consultation"

Page 1, line 7, after "with" insert "the approval of"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2231: A bill for an act relating to retirement; corrections officers; coverage and mandatory retirement; amending Minnesota Statutes 1978, Sections 352.90; 352.91, Subdivisions 1 and 2, and by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 43.051, Subdivision 3.

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2017: A bill for an act relating to municipal industrial development; defining projects appropriate for development; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1c.

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 1457: A bill for an act relating to transportation; providing for a transportation board; providing for transfer of certain duties, powers and functions of the public service commission and the commissioner of transportation to the transportation regulation board; regulating railroads and other common carriers of persons or property for hire; providing penalties; appropriating funds; amending Minnesota Statutes 1978, Sections 15A.081, Subdivision 1; 174.02, Subdivision 4; 174.03, Subdivision 2; 174.10, Subdivisions 1, 3, 4; 218.011, Subdivision 7; 218.021; 218.025; 218.031, Subdivisions 1, 6, 8, 10; 218.041; 218.071; 219.03; 219.14; 219.23; 219.24; 219.25; 219.27; 219.28; 219.383; 219.39; 219.40; 219.41; 219.42; 219.43; 219.46, Subdivision 7; 219.47; 219.51; 219.52; 219.54; 219.55; 219.562, Subdivision 3; 219.65; 219.681; 219.70; 219.71; 219.741; 219.85; 219.86; 219.87; 221.011, Subdivisions 2b, 15, 22; 221.021; 221.031, Subdivision 1; 221.041; 221.051; 221.061; 221.071; 221.081; 221.101; 221.121; 221.131; 221.141, Subdivision 2; 221.151; 221.161; 221.171; 221.181; 221.221; 221.261; 221.271; 221.281; 221.291, Subdivision 1; 221.293; 221.295; 221.296, Subdivisions 2, 3, 4, 8; 221.55; 221.68; repealing Minnesota Statutes 1978, Section 219.742.

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

Page 2, line 11, delete "*The governor, in his*"

Page 2, delete lines 12 through 16

Page 2, line 17, delete "*public,*"

Page 2, delete subdivision 4

Renumber the subdivisions in sequence

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1805: A bill for an act relating to education; designating the birthday of Martin Luther King as a special observance day in public schools; eliminating a reference to the amount of time that may be spent for certain instruction and programs on a special observance day; amending Minnesota Statutes 1978, Section 126.10.

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2184: A bill for an act relating to education; providing aid for free and reduced price lunches rather than full paid lunches

in certain school districts; providing certain bonding authority for Special School District No. 1; appropriating money; amending Minnesota Statutes 1978, Section 124.646, Subdivision 2, and by adding a subdivision; Minnesota Statutes, 1979 Supplement, Section 124.646, Subdivision 1; and Laws 1959, Chapter 462, Section 3, Subdivision 7, as amended.

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

Delete everything after the enacting clause and insert:

“Section 1. Laws 1963, Chapter 645, Section 3, Subdivision 5, is amended to read:

Subd. 5. The school district shall develop a comprehensive long-range building plan to project forward school needs at any given time for at least the next ~~fifteen~~ *five* years, such plan to include the needs of the district in connection with school sites, new schools and additions to existing buildings, retiring of obsolete facilities, and rehabilitating, remodeling, and equipping existing school buildings. ~~Such~~ *The* plan shall be reviewed and updated by the school staff and the board yearly ~~commencing in 1964~~. ~~Such~~ *The* plan shall be submitted yearly ~~commencing in 1963~~ by the board to the City Planning Commission for its review and recommendations.

Sec. 2. Laws 1959, Chapter 462, Section 3, Subdivision 7, as amended and renumbered as Subdivision 10 by Laws 1963, Chapter 645, Section 3, as amended by Laws 1967, Chapter 661, Section 3, Laws 1969, Chapter 994, Section 1, and Laws 1975, Chapter 320, Section 1, is amended to read:

Subd. 10. [SPECIAL SCHOOL DISTRICT NO. 1; MINNEAPOLIS, CITY OF; EXTENDING BONDING AUTHORITY.] As used in this act the word “project” shall mean any proposed new or enlarged school building site, any proposed new school building or any proposed new addition to a school building, and “undertaking” shall mean any other purpose for which bonds may be issued as authorized in this subdivision. Subject to the limitations of subdivision 11, the special independent school district of Minneapolis may issue and sell bonds with the approval of 53 percent of the electors voting on the question at a general school district election, or at a school district election held at the same time and place within the district as a state general or primary election, as determined by the board of education. Subject to the provisions of subdivision 11, the school district may also by a ~~two-third~~ *two-thirds* majority vote of all the members of its board of education and without any election by the voters of the district, issue and sell in each calendar year bonds of ~~such~~ *the* district in an amount not to exceed one-half of one percent of the assessed value of the taxable property in ~~such~~ *the* district (plus, for each of the calendar years ~~1975 1980~~ through ~~1979 1984~~, an amount not to exceed ~~75~~ *50* percent of the amount of indebtedness to be retired during the ~~said~~ calendar year; with an additional provision that any amount of bonds so authorized for sale in a specific year and

not sold can be carried forward and sold in the year immediately following); provided, however, that the board shall submit the list of projects and undertakings to be financed by such a proposed issue to the city planning commission as provided in subdivision 11(c) prior to the issuance of such bonds. All bonds of the school district shall be payable in not more than 20 years. The proceeds of the sale of such the bonds shall be used only for the rehabilitating, remodeling, expanding and equipping of existing school buildings and for the acquisition of sites, construction and equipping of new school buildings, and for acquisition and betterment purposes, and no part of such the proceeds shall be used for maintenance. The provisions of this act shall apply to the issuance and sale of such the bonds and to the purposes for which the same bonds may be issued notwithstanding any provisions to the contrary in any other existing law relating thereto.

**Sec. 3. [EFFECTIVE DATE.]** Pursuant to section 645.023, subdivision 1, clause (a), sections 1 and 2 are effective without local approval the day after final enactment.”

Delete the title and insert:

“A bill for an act relating to Special School District No. 1; modifying the district’s responsibility to develop a long range building plan and providing certain bonding authority; amending Laws 1963, Chapter 645, Section 3, Subdivision 5; and Laws 1959, Chapter 462, Section 3, Subdivision 7, as amended and renumbered.”

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

Mr. Hughes from the Committee on Education, to which was re-referred

S. F. No. 1788: A bill for an act relating to education; modifying rule making procedures and the tuition exemption authority of the state university board; allowing a change in the placement service registration fee at state universities; eliminating a visitation and reporting duty of the state university board and a reporting duty of state university presidents; eliminating a provision governing state university rules which conflict with the provisions of certain collective bargaining contracts; amending Minnesota Statutes 1978, Sections 136.11, Subdivisions 1 and 8; and 136.14; repealing Minnesota Statutes 1978, Sections 136.148 and 136.15.

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

Page 3, line 21, strike “and thoroughly”

Page 3, strike line 22

Page 3, line 23, strike “discipline, and management of”

Page 3, line 23, after “each” insert “state”

Page 3, line 24, before the period, insert *"for the purpose of meeting with administrators, faculty, students and the community to discuss such matters as facilities, modes of instruction, curriculum, extracurricular programs and management"*

Page 3, line 24, strike "It shall report to the governor and the"

Page 3, strike lines 25 through 27

Amend the title as follows:

Page 1, line 2, after "modifying" insert "certain"

Page 1, line 6, delete "visitation and"

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2114: A bill for an act relating to the legislature; establishing a temporary joint legislative study commission and empowering it to examine the educational programs for primary patient care of the University of Minnesota Medical School; appropriating money.

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

Page 2, line 8, delete "1980" and insert "1982"

Page 3, line 14, after the dollar sign insert "20,000"

Page 3, line 17, delete "1980" and insert "1982"

Page 3, line 19, delete "1980" and insert "1982"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Reported adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1838: A bill for an act relating to industrial development; extending the industrial development law to all towns; amending Minnesota Statutes 1978, Section 474.02, Subdivision 2.

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

Page 1, line 11, reinstate the stricken language

Page 1, line 19, after the period insert:

*"In all cases in which a project involves fuel production from agricultural crops; bulk storage of agricultural fuels, chemicals, fertilizers, and crops; agricultural machinery; agricultural processing; or agricultural feed and seed, for the purpose of making capital*

*investment loans for any of these projects, "municipality" shall include any town."*

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1978, Section 474.04, is amended to read:

**474.04. [AUTHORIZATION OF PROJECTS AND BONDS.]**  
***Subdivision 1.*** The acquisition, construction, reconstruction, improvement, betterment, or extension of any project, the execution of any revenue agreement or mortgage pertaining thereto, and the issuance of bonds in anticipation of the collection of the revenues of such project to provide funds to pay for the cost thereof, may be authorized by an ordinance or resolution of the governing body adopted at a regular or duly called special meeting thereof by the affirmative vote of a majority of its members. No election shall be required to authorize the use of any of the powers conferred by this chapter *except as provided in subdivision 2.* No lease of any project shall be subject to the provisions of section 504.02, unless expressly so provided in the lease.

*Subd. 2. Any town, except a town described in section 368.01, in which an agricultural project described in section 474.02, subdivision 2, is proposed to be undertaken pursuant to the authority granted by this chapter, shall not proceed with the project unless authorized by an affirmative vote of the electors of the town at the annual town meeting or at a special town meeting held pursuant to sections 365.52 to 365.53."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring authorization for certain agricultural projects;"

Page 1, line 4, delete "Section" and insert "Sections"

Page 1, line 5, before the period, insert "; and 474.04"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2172: A bill for an act relating to the Moose Lake-Windemere Sewer District; definitions; board membership and compensation; powers; amending Laws 1974, Chapter 400, Sections 3, Subdivisions 5 and 12; 4, Subdivisions 2 and 9; and 8, by adding a subdivision.

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

Page 2, line 27, delete "\$45" and insert "\$35"

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1878: A bill for an act relating to the legislature; establishing a council on the economic status of minorities; appropriating money.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which were referred the following appointments as reported in the Journal for February 4, 1980:

#### **CORRECTIONS BOARD**

James H. Bruton, Jr.  
Henry Greencrow

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1921, 1731, 1957, 2090, 1995, 1679, 2110, 2067, 1703, 2104, 1900, 2077, 1810, 1937, 2131, 2102, 2040, 1837, 1979, 1785, 1187, 1889, 1188, 2122, 1579, 1493, 1797, 1798, 1662, 1700, 1358, 1536, 1818, 978, 1588, 1322, 1813, 1922, 1076, 1985, 1825, 769 and 1633 and H. F. Nos. 874 and 1453 makes the following report:

That the above Senate Files and House Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

#### **SECOND READING OF SENATE BILLS**

S. F. Nos. 1745 and 2123 were read the second time.

S. F. Nos. 1028, 1854, 1704, 1132, 1398, 773, 1756, 2109, 1914, 1208, 2138, 1783, 2053, 2136, 1844, 2111, 1950, 2074, 1997, 2168, 2183, 2094, 1641, 1993, 1877, 2101, 2231, 2017, 1805, 2184, 1788, 1838 and 2172 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### **MOTIONS AND RESOLUTIONS**

Mr. Sikorski moved that the name of Mr. Stern be added as co-author to S. F. No. 1067. The motion prevailed.

Mr. Luther moved that the names of Messrs. Moe and Johnson be stricken and that the names of Messrs. Chmielewski and

Perpich be added as co-authors to S. F. No. 1552. The motion prevailed.

Mr. Renneke moved that the name of Mr. Omann be added as co-author to S. F. No. 1564. The motion prevailed.

Mr. Renneke moved that the name of Mr. Omann be added as co-author to S. F. No. 2009. The motion prevailed.

Mr. Merriam moved that his name be stricken as co-author to S. F. No. 2039. The motion prevailed.

Mr. Johnson moved that the names of Messrs. Perpich and Ashbach be added as co-authors to S. F. No. 2065. The motion prevailed.

Mr. Olhoft moved that the name of Mr. Omann be added as co-author to S. F. No. 2182. The motion prevailed.

Mr. Luther moved that the name of Mr. Stern be added as co-author to S. F. No. 2226. The motion prevailed.

Mr. Nichols moved that the name of Mr. Strand be added as co-author to S. F. No. 2228. The motion prevailed.

Mrs. Knaak moved that the name of Mr. Barrette be added as co-author to S. F. No. 2261. The motion prevailed.

Mr. Nichols moved that the name of Mr. Johnson be added as co-author to S. F. No. 2277. The motion prevailed.

Mr. Anderson moved that the name of Mr. Merriam be added as co-author to S. F. No. 2286. The motion prevailed.

Mr. Knutson moved that S. F. No. 2329 be withdrawn from the Committee on Health, Welfare and Corrections and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Merriam moved that H. F. No. 455 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 455

A bill for an act relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the state board of education to promulgate certain rules and giving it exclusive jurisdiction over certain sex discrimination charges; providing for the rights of certain parties in the case of certain sex discrimination charges; amending Minnesota Statutes 1978, Sections 126.21 and 363.02, Subdivision 3.

February 29, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

We, the undersigned conferees for H. F. No. 455, 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. 455 be further amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 126.21, is amended to read: .

126.21 [ATHLETIC PROGRAMS; SEX DISCRIMINATION.]  
Subdivision 1. [POLICY.] *The legislature recognizes certain past inequities in access to athletic programs and in the various degrees of athletic opportunity previously afforded members of each sex. The purpose of this section is to provide an equal opportunity for members of both sexes to participate in athletic programs.*

*Subd. 2. Each educational institution or public service shall provide equal opportunity for members of both sexes to participate in its athletic program. In determining whether equal opportunity to participate in athletic programs is available for the purposes of this section, at least the following factors shall be considered to the extent that they are applicable to a given situation: whether the opportunity for males and females to participate in the athletic program reflects the demonstrated interest in athletics of the males and females in the student body of the educational institution or the population served by the public service; whether the variety and selection of sports and levels of competition effectively accommodate the demonstrated interests of members of both sexes; the provision of equipment and supplies; scheduling of games and practice times; assignment of coaches; provision of locker rooms; practice and competitive facilities; and the provision of necessary funds for teams of one sex.*

*Subd. 3. (1) Notwithstanding any other state law to the contrary, in athletic programs operated by educational institutions or public services and designed for participants 12 years old or older or in the seventh grade or above, it is not an unfair discriminatory practice: (1) to restrict membership on an athletic team to participants of one sex; if this restriction is necessary to provide members of each sex with an equal opportunity to participate in the athletic program; provided, if a membership restriction on the basis of sex results in the operation of two teams in the same sport which are separated or substantially separated according to sex, the two teams shall be operated in compliance with all the provisions of clause (2); or whose overall athletic opportunities have previously been limited.*

(2) *When an educational institution or a public service provides athletic teams for children eleven years old or younger or in the sixth grade or below, those teams shall be operated without restrictions on the basis of sex, except that when overall athletic opportunities for one sex have previously been limited and there is a demonstrated interest by members of that sex to participate on a team restricted to members of that sex, the educational institution or public service may provide a team restricted to members of that sex.*

~~(2) to provide (3) When two teams in the same sport which are in fact separated or substantially separated according to sex, if the two teams are shall be provided with substantially equal budgets per participant, exclusive of gate receipts and other revenues generated by that sport, and in all other respects are shall be treated in a substantially equal manner. The two teams shall be operated separately only in those activities where separation is necessary to provide the members of each sex equal opportunity to participate in the athletic program. However, nothing in this section shall be construed to require the two teams to conduct combined practice sessions or any other combined activities related to athletics.~~

(4) *If two teams are provided in the same sport, one of these teams may be restricted to members of a sex whose overall athletic opportunities have previously been limited, and members of either sex shall be permitted to try out for the other team.*

Subd. 4. *When an equal opportunity to participate in the elementary or secondary school level athletic program of an educational institution or public service is not provided to members of a sex whose overall athletic opportunities have previously been limited, that educational institution or public service shall, where there is demonstrated interest, provide separate teams for members of the excluded sex in sports which it determines will provide members of that excluded sex with an equal opportunity to participate in its athletic program and which will attempt to accommodate their demonstrated interests.*

Subd. 2 5. *The state board of education, after consultation with the commissioner of human rights shall promulgate rules in accordance with chapter 15 to implement this section to prevent discrimination in elementary and secondary school athletic programs operated by educational institutions. The rules promulgated by the state board pursuant to this section shall not require athletic competition or tournaments for teams whose membership may be restricted to members of a sex whose overall athletic opportunities have previously been limited to be scheduled in conjunction with the scheduling of athletic competition or tournaments for teams whose membership is not so restricted by this section. Any organization, association or league entered into by educational institutions elementary or secondary schools or public services for the purpose of promoting sports or adopting rules and regulations for the conduct of athletic contests between members shall effective July 1, 1976 provide rules and regulations and conduct its activities so as to permit its members to comply fully with*

subdivision 1 and section 363.03, subdivisions 4 and 5 this section. The rules of that organization, association or league may provide separate seasons for athletic competition or tournaments in a sport for teams whose membership may be restricted to members of a sex whose overall athletic opportunities have previously been limited from athletic competition or tournaments established for teams in that same sport whose membership is not so restricted by this section, and its rules may prohibit a participating student from competing on more than one school team in a given sport during a single school year.

Subd. 3. Educational institutions and public services shall make every reasonable effort to provide substantially equal budgets per participant pursuant to subdivision 1 during the school year 1975-1976, and thereafter shall provide substantially equal budgets per participant pursuant to subdivision 1. Educational institutions and public services shall phase out separation based on sex in athletic programs designed for participants 11 years old or younger and in the sixth grade or below during the school years 1975-1976, 1976-1977, and 1977-1978, and thereafter shall comply fully with subdivision 1 and section 363.03, subdivisions 4 and 6.

Sec. 2. Minnesota Statutes 1978, Section 129.121, is amended by adding a subdivision to read:

*Subd. 5. For the purposes of section 471.705, the Minnesota state high school league shall be deemed to be a state agency required by law to transact business in meetings open to the public.*

Sec. 3. Minnesota Statutes 1978, Section 363.02, Subdivision 3, is amended to read:

Subd. 3. [EDUCATION.] (a) It is not an unfair discriminatory practice for a religious or denominational institution to limit admission or give preference to applicants of the same religion. The provisions of section 363.03, subdivision 5, relating to sex, shall not apply to a private educational institution, or branch or level of a private educational institution, in which students of only one sex are permitted to enroll. Nothing in this chapter shall be construed to require any educational institution to provide any special service to any person because of the disability of such person or to modify in any manner its buildings, grounds, facilities, or admission procedures because of the disability of any such person. Nothing in this chapter shall prohibit an educational institution from discriminating on the basis of academic qualifications or achievements or requiring from applicant's information which relates to academic qualifications or achievements.

(b) *Notwithstanding any other provisions of this chapter or any law to the contrary, it is not an unfair discriminatory practice for an educational institution or a public service to operate or sponsor separate athletic teams and activities for members of each sex or to restrict membership on an athletic team to participants of one sex, if this separation or restriction meets the requirements of section 126.21.*

(c) *The department of human rights shall investigate all charges*

*alleging sex discrimination in athletic programs in educational institutions and public services pursuant to the standards and requirements of section 126.21 and the procedures enumerated in chapter 363."*

Further, delete the title and insert:

"A bill for an act relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the state board of education after consultation with the commissioner of human rights to promulgate certain rules; providing for the rights of certain parties in the case of certain sex discrimination charges; requiring the Minnesota state high school league to transact business in an open meeting; amending Minnesota Statutes 1978, Sections 126.21; 129.121, by adding a subdivision; and 363.02, Subdivision 3."

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

House Conferees: (Signed) Carl M. Johnson, John L. Weaver, Bob McEachern, Sally Olsen

Senate Conferees: (Signed) Gene Merriam, Emily Anne Staples, Collin C. Peterson, Delores J. Knaak, Nancy Brataas

#### CALL OF THE SENATE

Mr. Ashbach imposed a call of the Senate for the balance of the proceedings on H. F. No. 455. The following Senators answered to their names:

Anderson	Frederick	Lessard	Purfeerst	Stern
Ashbach	Gearty	Luther	Renneke	Stokowski
Bang	Gunderson	McCutcheon	Rued	Strand
Barrette	Hanson	Menning	Schaaf	Stumpf
Benedict	Hughes	Merriam	Schmitz	Tennessen
Bernhagen	Jensen	Nelson	Setzepfandt	Ueland, A.
Brataas	Johnson	Ogdahl	Sieloff	Vega
Chmielewski	Keefe, S.	Olhoft	Sikorski	Wegener
Coleman	Kirchner	Omann	Sillers	
Dieterich	Kleinbaum	Penny	Solon	
Dunn	Knaak	Peterson	Spear	
Engler	Laufenburger	Pillsbury	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H. F. No. 455 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 455: A bill for an act relating to education; providing equal opportunity for members of both sexes to participate in certain athletics; modifying the coverage and terms of the current law providing for equal opportunity in certain athletics; requiring the

state board of education after consultation with the commissioner of human rights to promulgate certain rules; providing for the rights of certain parties in the case of certain sex discrimination charges; requiring the Minnesota state high school league to transact business in an open meeting; amending Minnesota Statutes 1978, Sections 126.21; 129.121, by adding a subdivision; and 363.02, Subdivision 3."

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Perpich	Staples
Ashbach	Gunderson	McCutcheon	Peterson	Stokowski
Barrette	Hanson	Merriam	Pillsbury	Strand
Bernhagen	Hughes	Moe	Purfeerst	Ueland, A.
Brataas	Jensen	Nelson	Renneke	Ulland, J.
Chmielewski	Johnson	Nichols	Rued	Wegener
Davies	Keefe, S.	Ogdahl	Schmitz	Willet
Dunn	Kirchner	Olhoff	Setzepfandt	
Engler	Kleinbaum	Olson	Sillers	
Frederick	Knaak	Penny	Solon	

Those who voted in the negative were:

Bang	Keefe, J.	Menning	Sikorski	Tennessee
Benedict	Laufenburger	Omann	Spear	Vega
Coleman	Lessard	Schaaf	Stern	
Dieterich	Luther	Sieloff	Stumpf	

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

#### MOTIONS AND RESOLUTIONS—CONTINUED SUSPENSION OF RULES

Mr. Coleman moved that the Rules of the Senate be so far suspended as to allow amendment of Rule 57. The motion prevailed.

Mr. Coleman moved that the portion of Rule 57 of the Permanent Rules of the Senate that relates to standing committees and their complement, as amended January 22, 1980, be further amended as follows:

After "Energy and Housing" delete (14) and insert (15)

After "General Legislation and Administrative Rules" delete (14) and insert (13)

After "Taxes and Tax Laws" delete (20) and insert (19)

After "Veterans' Affairs" delete (14) and insert (13)

The motion prevailed. So the rule was amended.

Mr. Coleman offered the following resolution:

That Senate Resolution No. 3 relating to standing committees of the Senate for the 71st session, Senate Journal, January 3, 1979, pages 16-19, as amended by the Senate on January 15, 1979, Senate Journal page 87, January 22, 1980, and February 14, 1980, be further amended as follows:

**Agriculture and Natural Resources**

Delete: Schrom  
 Add: Omann  
 Designate: Setzepfandt, Vice Chairman

**Energy and Housing ~~(14)~~ (15)**

Add: Omann

**General Legislation and Administrative Rules ~~(14)~~ (13)**

Delete: Schrom

**Local Government**

Delete: Schrom  
 Add: Omann

**Taxes and Tax Laws ~~(20)~~ (19)**

Delete: Schrom

**Veterans' Affairs ~~(14)~~ (13)**

Delete: Schrom

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

Mr. Nelson introduced—

Senate Resolution No. 49: A Senate resolution extending congratulations to Todd Guse of Austin, Minnesota for winning the 105 pound individual class AA wrestling championship.

Referred to the Committee on Rules and Administration.

**CONFIRMATION**

Mrs. Stokowski, for Mr. Gearty, moved that the report from the Committee on Elections, reported March 6, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mrs. Stokowski, for Mr. Gearty, moved that the foregoing report be now adopted. The motion prevailed.

Mrs. Stokowski, for Mr. Gearty, moved that in accordance with the report from the Committee on Elections, reported March 6, 1980, the Senate, having given its advice, do now consent to and confirm the appointment of:

**STATE ETHICAL PRACTICES BOARD**

Elizabeth Ebbott, 409 Birchwood Avenue, White Bear Lake,

Washington County, effective February 12, 1980, for a term expiring the first Monday in January, 1984.

The motion prevailed. So the appointment was confirmed.

#### CALENDAR

S. F. No. 1054: A bill for an act relating to Morrison County; allowing free, nonsubscription publications to qualify as legal newspapers in Morrison County.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Purfeerst	Stern
Ashbach	Gearty	Laufenburger	Renneke	Stokowski
Bang	Gunderson	Luther	Rued	Strand
Barrette	Hanson	Menning	Schaaf	Stumpf
Benedict	Hughes	Moe	Schmitz	Tennessee
Bernhagen	Jensen	Nelson	Setzepfandt	Ueland, A.
Brataas	Johnson	Nichols	Sieloff	Ulland, J.
Chmielewski	Keefe, J.	Ogdahl	Sikorski	Vega
Coleman	Keefe, S.	Olhoft	Sillers	Wegener
Davies	Kirchner	Omann	Solon	Willet
Dieterich	Kleinbaum	Peterson	Spear	
Engler	Knaak	Pillsbury	Staples	

Those who voted in the negative were:

Dunn	Lessard	Merriam	Olson	Penny
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So the bill passed and its title was agreed to.

S. F. No. 1759: A bill for an act relating to counties; providing for sheriffs and deputies compensation and expenses; permitting compensation for use of automobiles; amending Minnesota Statutes 1978, Section 387.20, Subdivisions 1 and 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Peterson	Staples
Ashbach	Gearty	Lessard	Pillsbury	Stern
Bang	Gunderson	Luther	Purfeerst	Stokowski
Barrette	Hanson	Menning	Renneke	Strand
Benedict	Hughes	Merriam	Rued	Stumpf
Bernhagen	Jensen	Moe	Schaaf	Tennessee
Brataas	Johnson	Nelson	Schmitz	Ueland, A.
Chmielewski	Keefe, J.	Nichols	Setzepfandt	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Sieloff	Vega
Davies	Kirchner	Olhoft	Sikorski	Wegener
Dieterich	Kleinbaum	Olson	Sillers	Willet
Dunn	Knaak	Omann	Solon	
Engler	Knutson	Penny	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1653: A bill for an act relating to education; providing individualized instructional materials to nonpublic school pupils; increasing the amount which may be spent for certain materials provided to nonpublic school pupils; amending Minnesota Statutes 1978, Sections 123.932, by adding a subdivision; 123.933; and Chapter 123, by adding a section.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Sillers
Bang	Gearty	Lessard	Perpich	Solon
Barrette	Hanson	Luther	Peterson	Staples
Benedict	Hughes	Menning	Pillsbury	Stern
Bernhagen	Jensen	Merriam	Purfeerst	Stokowski
Brataas	Johnson	Moe	Renneke	Stumpf
Chmielewski	Keefe, J.	Nelson	Rued	Ueland, A.
Coleman	Keefe, S.	Nichols	Schmitz	Ulland, J.
Dieterich	Kirchner	Olhoft	Setzepfandt	Vega
Dunn	Kleinbaum	Olson	Sieloff	Wegener
Engler	Knaak	Omann	Sikorski	Willet

Those who voted in the negative were:

Ashbach	Gunderson	Ogdahl	Spear	Tennessee
Davies	Knutson	Schaaf		

So the bill passed and its title was agreed to.

S. F. No. 1725: A bill for an act relating to education; defining "nonsectarian nonpublic school" and modifying the definition of "neutral site" to include a nonsectarian nonpublic school for purposes of certain sections providing aid to nonpublic school children; amending Minnesota Statutes 1978, Section 123.932, Subdivision 9, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Luther	Purfeerst	Stokowski
Ashbach	Gearty	Menning	Renneke	Strand
Bang	Gunderson	Merriam	Rued	Stumpf
Barrette	Hanson	Moe	Schaaf	Tennessee
Benedict	Hughes	Nelson	Schmitz	Ueland, A.
Bernhagen	Johnson	Nichols	Setzepfandt	Ulland, J.
Brataas	Keefe, J.	Olhoft	Sieloff	Vega
Chmielewski	Keefe, S.	Olson	Sikorski	Wegener
Coleman	Kirchner	Omann	Sillers	Willet
Davies	Kleinbaum	Penny	Solon	
Dieterich	Knaak	Perpich	Spear	
Dunn	Laufenburger	Peterson	Staples	
Engler	Lessard	Pillsbury	Stern	

Messrs. Jensen, Knutson and Ogdahl voted in the negative.  
So the bill passed and its title was agreed to.

#### GENERAL ORDERS

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

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

S. F. Nos. 1449, 1674, 1775, 1812 and 1736, which the committee recommends to pass.

S. F. No. 1843, which the committee reports progress, subject to the following motion:

Mr. Laufenburger moved to amend S. F. No. 1843 as follows:

Page 3, line 26, after "*except*" insert "*to quiet title or*"

The motion prevailed. So the amendment was adopted. S. F. No. 1843 was then progressed.

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

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Tuesday, March 11, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, March 11, 1980

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

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Bang	Gearty	Knaak	Peterson	Stern
Barrette	Gunderson	Laufenburger	Purfeerst	Stokowski
Benedict	Hanson	Lessard	Rued	Strand
Bernhagen	Hughes	Luther	Schmitz	Stumpf
Chmielewski	Humphrey	Merriam	Setzepfandt	Ueland, A.
Coleman	Jensen	Moe	Sieloff	Ulland, J.
Davies	Johnson	Nelson	Sikorski	Vega
Dunn	Keefe, S.	Nichols	Sillers	Wegener
Engler	Kirchner	Olson	Spear	Willet
Frederick	Kleinbaum	Penny	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Arnold H. Heumann.

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

Anderson	Frederick	Knoll	Olson	Sillers
Ashbach	Gearty	Knutson	Omann	Solon
Bang	Gunderson	Laufenburger	Penny	Spear
Barrette	Hanson	Lessard	Perpich	Staples
Benedict	Hughes	Luther	Peterson	Stern
Bernhagen	Humphrey	McCutcheon	Pillsbury	Stokowski
Brataas	Jensen	Menning	Purfeerst	Strand
Chmielewski	Johnson	Merriam	Renneke	Stumpf
Coleman	Keefe, J.	Moe	Rued	Ueland, A.
Davies	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Vega
Dunn	Kleinbaum	Ogdahl	Sieloff	Wegener
Engler	Knaak	Ohoft	Sikorski	Willet

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Benedict and Perpich were excused from the Session of today from 10:00 o'clock a.m. to 12:00 o'clock noon. Mr. Pills-

bury was excused from the Session of today from 10:00 o'clock a.m. to 11:15 o'clock a.m. Mrs. Staples was excused from the Session of today from 10:15 o'clock a.m. to 12:00 o'clock noon.

#### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Nelson introduced—

S. F. No. 2349: A bill for an act relating to taxation; excluding sick pay from gross income; amending Minnesota Statutes 1978, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Gunderson introduced—

S. F. No. 2350: A bill for an act relating to outdoor advertising; authorizing privately owned directional devices to be erected and maintained in areas adjacent to the right-of-way of interstate and other trunk highways; restricting the purposes for which they may be erected and maintained; providing for their regulation by rule; prescribing a fee; amending Minnesota Statutes 1978, Sections 173.02, Subdivision 6; 173.13, Subdivision 4; and Chapter 173, by adding a section.

Referred to the Committee on Transportation.

Messrs. Dunn, Nichols, Rued, Stern and Kleinbaum introduced—

S. F. No. 2351: A bill for an act relating to waters; providing for watercraft licensing and safe operation; altering certain definitions; changing license fees; authorizing a temporary certificate; stating the evidentiary effect of certain blood tests; altering certain safety requirements and motor noise limits; providing an outline for distributing water safety enforcement funds; amending Minnesota Statutes 1978, Sections 361.02, Subdivision 7, and by adding a subdivision; 361.03, Subdivisions 3 and 12, and by adding a subdivision; 361.10; 361.12; 361.13, Subdivision 1; 361.141, Subdivision 1; 361.15, Subdivision 1; 361.16, Subdivision 1; 361.17; 361.18; 361.21, Subdivision 2, and by adding a subdivision; 361.215; 361.24; 361.27, Subdivision 1; and 361.29, Subdivision 4; repealing Minnesota Statutes 1978, Section 361.15, Subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Hanson, Solon, Laufenburger and Lessard introduced—

S. F. No. 2352: A bill for an act relating to courts; increasing the salary of official court reporters; amending Minnesota Statutes 1978, Section 486.05, Subdivision 1.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S. F. No. 2353: A bill for an act relating to financial institutions; modifying director's residence requirements for industrial loan and thrift companies; providing for a report to the commissioner in the event of a change of control; requiring insurance or guarantee of certificates of indebtedness sold or issued for investment; exempting certificates of indebtedness from the regulation of securities; amending Minnesota Statutes 1978, Sections 53.06; 53.09, Subdivision 2; Chapter 53, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 80A.15, Subdivision 1.

Referred to the Committee on Commerce.

Mr. Ulland, J. introduced—

S. F. No. 2354: A bill for an act relating to pollution control; authorizing state use of up to two percent of federal construction grant funds to administer the federal water pollution control act; amending Minnesota Statutes 1978, Section 116.16, Subdivision 10.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Bang introduced—

S. F. No. 2355: A bill for an act relating to Independent School Districts No. 273, Edina, and 274, Hopkins; establishing a procedure for transferring certain territory from one school district to the other; permitting a district from which territory was transferred to enroll certain students from the transferred territory under certain conditions.

Referred to the Committee on Education.

Mr. Davies introduced—

S. F. No. 2356: A bill for an act relating to Special School District No. 1 of the city of Minneapolis; providing for alley system of electing members of the board of education; amending Laws 1959, Chapter 462, Section 3, Subdivision 3, as amended.

Referred to the Committee on Elections.

**Mr. Vega introduced—**

**S. F. No. 2357: A bill for an act relating to state government; clarifying benefits of employees of former Hastings state hospital.**

**Referred to the Committee on Governmental Operations.**

**Mr. Vega introduced—**

**S. F. No. 2358: A bill for an act relating to natural resources; establishing a new state wildlife management area; appropriating money.**

**Referred to the Committee on Agriculture and Natural Resources.**

**Mr. Keefe, J. introduced—**

**S. F. No. 2359: A bill for an act relating to elections; providing for a presidential primary election; regulating the selection of convention delegates.**

**Referred to the Committee on Elections.**

**Mr. Dieterich introduced—**

**S. F. No. 2360: A bill for an act relating to courts; providing for an automatic procedure for docketing conciliation court judgments in municipal, county and district courts; providing a simplified procedure for docketing county or municipal court judgments in district court; amending Minnesota Statutes 1978, Sections 487.30, by adding a subdivision; 488A.09, Subdivision 7; 488A.16, Subdivision 8; 488A.26, Subdivision 4; and 488A.33, Subdivision 7.**

**Referred to the Committee on Judiciary.**

**Mr. Knoll introduced—**

**S. F. No. 2361: A bill for an act relating to taxation; income; providing that persons with limited employment income qualify for the homemaker credit; amending Minnesota Statutes 1978, Section 290.06, Subdivision 3e.**

**Referred to the Committee on Taxes and Tax Laws.**

**Messrs. Merriam and Sikorski introduced—**

**S. F. No. 2362: A bill for an act relating to taxation; increasing the maximum pension exclusion and eliminating the income offset; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.**

**Referred to the Committee on Taxes and Tax Laws.**

Mr. Kirchner introduced—

S. F. No. 2363: A bill for an act relating to metropolitan government; providing for a metropolitan rail transit program; providing financing; appropriating money; amending Minnesota Statutes 1978, Sections 473.401, by adding subdivisions; 473.402, by adding a subdivision; and Chapter 473, by adding sections.

Referred to the Committee on Transportation. Mr. Sikorski questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Peterson, Nichols, Coleman, McCutcheon and Sillers introduced—

S. F. No. 2364: A bill for an act relating to water resources; creating water management districts; establishing their duties; transferring state water management functions to water management districts; continuing the water planning board; changing its membership and duties; appropriating money; amending Minnesota Statutes 1978, Section 105.401; and Laws 1979, Chapter 333, Section 31, Subdivision 5.

Referred to the Committee on Agriculture and Natural Resources. Mr. Sikorski questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Peterson, Olson, Olhoft, Bernhagen and Frederick introduced—

S. F. No. 2365: A bill for an act relating to taxation; allowing an investment credit deduction; amending Minnesota Statutes 1978, Section 290.09, Subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 7, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. No. 1848.

Sincerely yours,  
Albert H. Quie, Governor

March 10, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I am vetoing Senate File 550. This act, if allowed to become law,

would have permitted candidates campaigning for a legislative or constitutional office to spend an increased amount of money on their elections.

The focus of public policy should turn from the cost of a campaign to the sources of the money for a campaign.

I have long been an advocate of reduced contribution limits. It is illogical to assume that candidates are tainted by the amount they spend on their campaigns. Rather, the potential for creating undue influence is derived from the amount any one individual or group can contribute to a candidate.

Merely increasing spending limits is not the solution to ensure that elections will be fair and free from abuse. It's my belief that S. F. No. 550 has the potential of repressing rather than improving our political process.

Campaign financing is an important facet of Minnesota's Ethics in Government Act. It is an area of law which should be addressed *in toto* rather than piecemeal. By simply raising expenditure limits the Legislature has failed to consider other changes which have been recently suggested by the Ethical Practices Board. This Board is given the statutory authority to indicate apparent abuses and offer legislative recommendations regarding this Act. ·

For seven months the Board undertook an extensive analysis of public financing of election campaigns. Their study focused on how well Minnesota's program has met the goals of the public financing system which was adopted in 1974.

Their report, transmitted to the Legislature in January, recommended the *elimination* of expenditure limits. The bipartisan Board concluded:

- a. Spending limits do not hold down the costs of campaigns;
- b. Spending limits inhibit a challenger's ability to obtain name recognition and identity which any incumbent inherently has already acquired;
- c. Current emphasis on spending limits is misdirected. Rather, public policy should be to control the impact of campaign money by a reduction in contribution limits.

I find it regrettable that the Legislature not only acted contrary to the Board's conclusions, but more disturbing, failed to even consider them before enacting this bill.

It is quite apparent that the provisions of S. F. 550 are politically motivated. This act has been placed on my desk without careful study or legislative deliberation. This law would not benefit the people of this State.

I am encouraged that the Senate Elections Committee has adopted several of the recommendations of the Ethical Practices Board. I urge that they all be adopted. The Board's recommendations which received unanimous approval included:

- a. Increase the political checkoff to \$2.00 (single) and \$4.00 (joint);
- b. Eliminate the party designated checkoff;
- c. Substitute a matching fund system for the current grant system of public financing;
- d. Eliminate campaign expenditure limits;
- e. Reduce contribution limits.

For the reasons set forth in this message, and with the hope that the Board's recommendations be adopted, I cannot allow S. F. No. 550 to become law. I am, therefore, returning it to you unsigned.

Sincerely,  
Albert H. Quie, Governor

Mr. Keefe, S. moved that S. F. No. 550 and the veto message be laid on the table. The motion prevailed.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 824, 1114, 1438 and 1625.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 10, 1980

Mr. President:

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

S. F. No. 74: A bill for an act relating to elections; allowing post-election challenges to absent voters; permitting certain challenges of voters in an election contest; establishing conditions for compelling voters to disclose the manner in which they voted; clarifying and simplifying the procedures for instituting an election contest; extending the deadline for instituting an election contest after a general election; amending Minnesota Statutes 1978, Sections 204A.32, Subdivision 4; 209.02, Subdivisions 3, 4 and 4a; 209.06, Subdivision 2; and Chapter 209, by adding a section.

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

Osthoff, McCarron and Wigley.

Senate File No. 74 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 10, 1980

Mr. President:

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

S. F. No. 1584: A bill for an act relating to transportation; providing for specific information signing for resorts and recreational camping areas along certain highways.

Senate File No. 1584 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 10, 1980

Mr. Willet moved that the Senate do not concur in the amendments by the House to S. F. No. 1584, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1488, 1623, 1707, 1834, 1837, 1873, 1904, 1932, 2024, 1012, 1216, 2028 and 2110.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 10, 1980

#### FIRST READING OF HOUSE BILLS

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

H. F. No. 1488: A bill for an act relating to St. Louis County; providing authority to negotiate public employees wages; amending Laws 1941, Chapter 423, Section 5, as amended.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1449 now on the Calendar.

H. F. No. 1623: A bill for an act relating to insurance; providing for the operation of the Minnesota life and health insurance guaranty association; correcting certain oversights and ambiguities; making certain improvements; amending Minnesota Statutes 1978, Sections 61B.02, Subdivision 1; 61B.05, by adding a subdivision; 61B.07, Subdivisions 1, 2, 3 and 7; and 61B.15.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1588 now on General Orders.

H. F. No. 1707: A bill for an act relating to children; requiring reports of neglect and sexual abuse of children; amending Minnesota Statutes, 1979 Supplement, Section 626.556, Subdivision 2.

Referred to the Committee on Judiciary.

H. F. No. 1834: A bill for an act relating to education; adding the commissioner of agriculture to the equalization aid review committee; amending Minnesota Statutes 1978, Section 124.212, Subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2220.

H. F. No. 1837: 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 1978, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

Referred to the Committee on Commerce.

H. F. No. 1873: A bill for an act relating to local government in Ramsey county; providing for the membership and dues of the Ramsey county league of local governments; amending Laws 1963, Chapter 728, Section 1, as amended.

Referred to the Committee on Local Government.

H. F. No. 1904: A bill for an act relating to the Nine Mile Creek and Riley-Purgatory Creek Watershed Districts; providing for the establishment of district water maintenance and repair funds; authorizing tax levies for water maintenance and repair purposes.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1905, now in the Subcommittee on Bill Scheduling.

H. F. No. 1932: A bill for an act relating to Independent School District No. 535, Rochester; providing that its school board may organize at a time other than the time required for the organization of the board of an independent district; amending Laws 1969, Chapter 193, Section 3, as amended.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1904.

H. F. No. 2024: A bill for an act relating to the city of Hibbing; authorizing development and administration of a housing program within the city, including that part of the city which formerly comprised the town of Stuntz.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2059, now in the Subcommittee on Bill Scheduling.

H. F. No. 1012: A bill for an act relating to housing; prohibiting unfair treatment in housing and real property on the basis of familial status; amending Minnesota Statutes 1978, Sections 363.01, Subdivision 24, and by adding subdivisions; 363.02, Subdivision 2; 363.03, Subdivision 2; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

Referred to the Committee on Judiciary.

H. F. No. 1216: A bill for an act relating to liquor and non-intoxicating malt beverage; registration of labels; amending Minnesota Statutes 1978, Section 340.62.

Referred to the Committee on Commerce.

H. F. No. 2028: A bill for an act relating to state government; clarifying benefits of employees of former Hastings state hospital.

Referred to the Committee on Governmental Operations.

H. F. No. 2110: A bill for an act relating to motor vehicles; authorizing the identification of certain tax exempt vehicles by use of removable plates or placards; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1812 now on the Calendar.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1695: A bill for an act relating to no-fault automobile insurance; increasing the weekly maximum for disability and income loss benefits, survivor's economic loss benefits, and survivor's replacement services loss; amending Minnesota Statutes 1978, Section 65B.44, Subdivisions 6 and 7; and Minnesota Statutes, 1979 Supplement, Section 65B.44, Subdivision 3.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1332: A bill for an act relating to commerce; exempting from regulation corporate take-over offers filed with the Securities and Exchange Commission; amending Minnesota Statutes 1978, Section 80B.01, Subdivision 8.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 924: A bill for an act relating to commerce; regulating conduct of business under assumed business names; amending Minnesota Statutes 1978, Sections 301.09; 333.01; 333.04; 333.06; and Chapter 333, by adding sections; repealing Minnesota Statutes 1978, Sections 333.001; 333.035; and 333.055.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 333.055, Subdivision 3, is amended to read:

Subd. 3. The secretary of state shall charge and collect:

(a) For the filing of each certificate or amended certificate of an assumed name—~~\$20~~ \$12

(b) Certificate renewal fee—\$10 \$6

Sec. 2. Minnesota Statutes 1978, Section 333.13, is amended to read:

333.13 [VIOLATIONS; PENALTIES.] ~~Any person or persons carrying on or conducting or transacting a business, as provided by sections 333.01 to 333.06, who shall fail to comply with the provisions of sections 333.01 to 333.06, shall be guilty of a misdemeanor.~~

Any person who shall wilfully wear, exhibit, display, print, or use wears, exhibits, displays, prints or uses, for any purpose, the badge, motto, button, decoration, charm, emblem, rosette, or other insignia of any association or organization mentioned in section 333.07, duly registered, unless entitled to use and wear the same under the constitution and bylaws, rules, and regulations of such the association or organization, shall be is guilty of a misdemeanor; and upon conviction shall be punished by a fine of not exceeding \$100 and in default of payment committed to jail for a period of not to exceed 60 days."

Amend the title as follows:

Page 1, line 4, delete "301.09; 333.01;"

Page 1, delete lines 5 to 7 and insert "333.055, Subdivision 3; and 333.13."

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1698: A bill for an act relating to insurance; establishing tort threshold limitations on uninsured motorist coverage for motor vehicles; amending Minnesota Statutes 1978, Section 65B.49, Subdivision 4.

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

Page 2, line 12, delete "*not in excess of the*" and insert "*unless a*"

Page 2, line 13, delete "*limitations*" and insert "*limitation*"

Page 2, line 13, after "3" insert ", *is exceeded*"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1964: A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; imposing certain duties on the registrar of motor vehicles; amending Minnesota Statutes 1978, Section 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17; and 168A.15, by adding a subdivision.

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

Page 3, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "imposing"

Page 1, delete line 7

Page 1, line 10, delete everything after "17" and insert a period

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 2245: A bill for an act relating to the city of Edina; authorizing a temporary short term on-sale liquor license for a certain civic or charitable festival.

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 2234: A bill for an act relating to insurance; authorizing business trusts to exchange reciprocal or interinsurance contracts; amending Minnesota Statutes 1978, Section 71A.01, Subdivision 1.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1654: A bill for an act relating to the office of secretary of state; adjusting certain fees collected by that office; making them more uniform; amending Minnesota Statutes 1978, Sections 47.16; 53.01; 221.67; 303.13, Subdivision 1; 308.060, Subdivision 4; 317.04, Subdivision 3; 317.67; 540.152; and 543.08.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2083: A bill for an act relating to intoxicating liquor; authorizing the issuance of Sunday sales licenses by county boards in unorganized territory without voter approval; amending Minnesota Statutes 1978, Section 340.14, Subdivision 5.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2071: A bill for an act relating to financial institutions; providing that certain agreements taken by a bank and subject to a certain percentage limitation will not constitute a liability against it; providing for a different percentage limitation in certain cases; amending Minnesota Statutes 1978, Section 48.24, Subdivision 3.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1803: A bill for an act relating to commerce; restricting the scope of the corporate take-over statute; amending Minnesota Statutes 1978, Sections 80B.02, Subdivision 5; 80B.03, Subdivisions 2 and 3; repealing Minnesota Statutes 1978, Sections 80B.02, Subdivision 8; and 80B.03, Subdivisions 4 and 5.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2146: A bill for an act relating to public welfare; providing that certain relatives of children receiving aid to families with dependent children are not responsible for contributions; amending Minnesota Statutes 1978, Section 256.87, Subdivision 1.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2027: A bill for an act relating to public welfare; authorizing certain payments to shelter facilities for battered women; requiring direct payments to shelter facilities from general assistance; amending Minnesota Statutes 1978, Section 256D.05, Subdivision 3.

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

Amend the title as follows:

Page 1, line 5, after "assistance;" insert "appropriating money;"

Page 1, line 15, after "maintenance" insert "costs"

Page 1, line 16, after "costs" insert "*which are related to providing 24-hour staff coverage at the facility*"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2174: A resolution memorializing the President and Congress to take all actions necessary to effect changes in regulations of the Department of Health, Education, and Welfare so that physician visits to medically stable residents of certain health care facilities are required only quarterly or semi-annually.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2182: A bill for an act relating to health; directing the department of health to undertake studies for determining health and environmental effects of high voltage transmission lines; appropriating money.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2239: A bill for an act relating to welfare; changing certain eligibility requirements for aid to families with dependent children; amending Minnesota Statutes 1978, Section 256.73, Subdivision 2.

Reports the same back with the recommendation that the bill

do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 336: A bill for an act relating to taxation; providing for state reimbursement of taxing districts for tax reduction granted to Title II and certain other property; amending Minnesota Statutes 1978, Section 276.04; and Chapter 273, by adding a section.

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

Page 1, line 15, delete "1979" and insert "1981"

Page 1, line 16, delete "1979" and insert "1981"

Page 1, line 20, delete "or" and insert a comma and after "17b" insert "or 17c"

Page 2, line 4, delete "and" and insert a comma and after "17b" insert "or 17c"

Page 2, line 8, delete "and" and insert a comma and after "17b" insert "or 17c"

Page 2, line 13, delete "1979" and insert "1981"

Page 2, delete lines 14 to 23 and insert:

*"Subd. 3. When computing mill rates pursuant to Minnesota Statutes, Sections 275.08 and 275.09, the county auditor shall treat property described in subdivision 1, clause (a) as if it were valued as class 3d."*

Page 4, after line 6, insert:

*"Sec. 3. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required by section 1."*

Amend the title as follows:

Page 1, line 5, after the semicolon insert "appropriating money;"

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1987: A bill for an act relating to taxation; providing a property tax exemption for alcohol fuel production equipment; amending Minnesota Statutes 1978, Section 273.11, Subdivision 6.

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2059: A bill for an act relating to the city of Hibbing; authorizing development and administration of a housing program within the city, including that part of the city which formerly comprised the town of Stuntz.

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2119: A bill for an act relating to Carver county; applying the provisions of the municipal housing and redevelopment act to Carver county; providing for local approval of projects.

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

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 2195: A bill for an act relating to employment agencies; exempting certain medical doctor placement services from licensing provisions; amending Minnesota Statutes 1978, Section 184.21, Subdivision 2.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2156: A bill for an act relating to Ramsey county; simplifying the number of the county code; amending Laws 1974, Chapter 435, Articles I to IV, as amended.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2190: A bill for an act relating to the city of Saint Paul; permitting employment of certain persons pursuant to a training program.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1763: A bill for an act relating to driver's licenses; providing for the disposition of the county fee in Dakota County.

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

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

S. F. No. 1906: A bill for an act relating to the Nine Mile Creek Watershed District; authorizing an ad valorem tax for certain purposes.

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

Page 1, line 6, after "CREEK" insert "AND RILEY-PURGATORY CREEK"

Page 1, line 6, delete "DISTRICT" and insert "DISTRICTS"

Page 1, line 9, after "District" insert "in Hennepin County and the Riley-Purgatory Creek Watershed District in Hennepin and Carver counties"

Page 1, line 9, delete "is" and insert "are each"

Page 1, line 13, delete "Nine Mile Creek Watershed District" and insert "respective districts"

Page 1, line 15, after "125,000" insert "in each district"

Page 1, line 17, delete "for the Nine"

Page 1, line 18, delete "Mile Creek Watershed District"

Page 1, line 20, delete "common"

Page 2, line 2, after "effective" insert "for each district named in section 1"

Page 2, line 3, delete "Nine" and insert "respective districts"

Page 2, line 4, delete "Mile Creek Watershed District"

Amend the title as follows:

Page 1, line 2, before the semicolon insert "and the Riley-Purgatory Creek Watershed District"

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

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

S. F. No. 1794: A bill for an act relating to state lands; authorizing the sale at public auction of lands and interests in lands located in Mower and Fillmore Counties.

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

Page 1, line 13, after "between" insert "the intersection of U.S. Highways 16 and 63 near the city of"

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

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

S. F. No. 2045: A bill for an act relating to state lands; providing for the conveyance of certain lands to the city of Owatonna.

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

Delete everything after the enacting clause and insert:

“Section 1. The governor, upon the recommendation of the commissioner of administration, shall convey in an instrument approved by the attorney general the following described real property, together with any improvements thereon, to the city of Owatonna:

The south half of the southwest quarter of section 8, township 107 north, range 20 west.

The property shall be conveyed for a consideration of \$200,000, and shall be used by the city of Owatonna for governmental and recreational purposes only. When the property ceases to be used for those purposes, the state shall be offered the first opportunity to repurchase the property for \$200,000, or a pro rata amount if less than the entire tract described herein is to revert to the state. If the state refuses to exercise its right to repurchase the property, the city of Owatonna shall have the right to use or dispose of the property in a manner that it sees fit; provided, however, that if the city sells the property for more than it has invested for land, improvements, and utilities, the excess above that amount shall be paid to the state of Minnesota for deposit in the general revenue fund.

Sec. 2. This act shall become effective only after its approval by a majority of the governing body of the city of Owatonna and upon compliance with the provisions of Minnesota Statutes, Section 645.021.”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S. F. No. 1685: A bill for an act relating to pollution; recognizing the extent and severity of the problem of acid precipitation; appropriating funds and designating state agencies and departments to conduct activities designed to identify, control and abate acid precipitation.

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

Page 1, line 16, after the comma insert “agricultural,”

Page 2, line 22, delete the comma and insert “and”

Page 2, line 23, delete everything after “projects”

Page 2, delete lines 24 to 26 and insert “. It is a condition of acceptance of the appropriations made by this section that each agency or entity receiving an appropriation shall submit work programs and semi-annual progress reports in a form determined by the legislative commission on Minnesota resources. None of the moneys provided in this section may be expended unless the commission has approved the pertinent work program.”

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

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

S. F. No. 2134: A bill for an act relating to natural resources; providing for analysis of hydroelectric generating capacity of publicly owned dams; clarifying provisions relating to the administration of and authorization for dam repair and reconstruction grants; authorizing the employment of a person to administer grants; amending Minnesota Statutes 1978, Section 105.482, Subdivisions 1 and 4; Minnesota Statutes, 1979 Supplement, Section 105.482, Subdivisions 3 and 5a; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5.

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

Page 2, line 14, after the period, insert “*Except as provided below,*”

Page 2, line 16, after the period, insert “*A grant to study the feasibility, practicality and environmental effects of utilizing a dam for hydroelectric power generation may be for an amount not to exceed 90 percent of the costs of the study.*”

Page 5, line 11, after “*employee*” insert “*in the unclassified service*”

Amend the title as follows:

Page 1, line 8, after “*grants;*” insert “*appropriating money;*”

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 802: A bill for an act relating to health; regulating the occupation of physical therapist; amending Minnesota Statutes 1978, Sections 148.65; 148.67; 148.70; 148.71; 148.72; 148.73; 148.74; 148.75; 148.76; 148.77; 148.78; and Chapter 148, by adding sections.

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

Page 2, line 1, delete “*the effective properties of*”

Page 2, line 5, delete “*therapy*”

Page 2, line 6, delete “*massage,*”

Page 2, line 7, delete "*mobilization,*"

Page 3, line 10, after "examinations" insert "*following satisfactory completion of all didactic requirements*"

Page 3, line 11, after "pass" insert "*the*"

Page 3, line 12, strike the period and insert "*after*"

Page 3, line 12, delete "*shall*" and insert "*has*"

Page 3, line 12, delete "*present*" and insert "*presented*"

Page 5, lines 6 to 8, delete the new language

Page 7, line 18, strike "The board"

Page 7, strike lines 19 to 21

Page 7, line 22, strike "attorney of each county."

Page 7, line 29, strike "state examining committee" and insert "*physical therapy council*"

Page 7, line 31, strike ", to" and insert a period

Page 7, strike lines 32 and 33

Page 8, strike line 1

Page 8, line 17, delete "*referral*" and insert "*order and direction*"

Page 8, line 18, delete "*or a dentist*"

Page 8, line 19, delete "*licensed in this state*"

Page 9, line 9, delete "*and surgery*"

Page 9, line 13, delete "*or inadequate*"

Page 9, line 14, delete "*supervision of*"

Page 9, line 14, after "or" insert "*inappropriate task assignment to an*"

Page 9, line 14, after "*aide*" insert "*or inadequate supervision of either level of supportive personnel*"

Page 10, line 1, delete "Act as a" and insert "Use the title of"

Page 10, line 18, delete "*this section*" and insert "*sections 148.65 to 148.78*"

Page 10, line 24, delete "*referral*" and insert "*order and direction*"

Page 10, line 25, delete "*or dentistry*"

Page 10, line 31, after "ASSISTANTS" insert "AND AIDES"

Page 11, line 5, after "or" insert "*assign to a physical therapy*"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1636: A bill for an act relating to state government; requiring certain state-leased space and state agency meetings to be accessible to physically handicapped persons; requiring certain auxiliary aids for physically handicapped participants at state agency meetings; amending Minnesota Statutes 1978, Section 16.85, Subdivisions 1b and 1c; and Chapter 15, by adding a section.

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

Pages 2 and 3, delete sections 2 and 3 and insert:

“Sec. 2. Minnesota Statutes 1978, Section 16.85, Subdivision 1b, is amended to read:

Subd. 1b. No agency of the state may lease space for agency operations in a non-state owned building, unless the building satisfies the requirements of the state building code for accessibility by the physically handicapped, ~~or is eligible to display the state symbol of accessibility persons~~. This limitation shall apply in respect to leases of thirty days or more for space of at least 1,000 square feet commencing *or being renewed* on or after July 1, 1980.

Sec. 3. Minnesota Statutes 1978, Section 16.85, Subdivision 1c, is amended to read:

Subd. 1c. After July 1, ~~1979~~ 1980, meetings or conferences ~~attended by for the public and or for state employees sponsored in whole or in part by a state agency in non-publicly owned buildings~~ shall be held in buildings that either meet the state building code requirements relating to accessibility for the physically handicapped ~~or are eligible to display the state symbol for accessibility persons~~; *provided that, meetings or conferences intended for specific individuals none of whom need the accessibility features for handicapped persons specified in the state building code need not comply with this subdivision unless a handicapped person gives reasonable advance notice of his or her intent to attend the meeting or conference. When sign language interpreters will be provided, meetings or conference sites shall be chosen which allow hearing impaired participants to see their signing clearly.*

Sec. 4. Minnesota Statutes 1978, Section 16.85, Subdivision 1d, is amended to read:

Subd. 1d. The commissioner of administration may grant an exemption from the requirements of subdivisions 1b and 1c *in advance if a state agency has demonstrated that reasonable efforts were made to secure facilities which complied with the requirements of subdivision 1b and 1c and if the selected facilities are the best available for access for handicapped persons. Exemptions shall be granted using criteria developed by the commissioner in consultation with the council for the handicapped.*

Sec. 5. Minnesota Statutes 1978, Section 16.85, is amended by adding a subdivision to read:

*Subd. 1e. Any state agency which violates the provisions of subdivisions 1b, 1c or 1d shall be fined in the amount of \$250 for each occurrence by the commissioner of administration. If a state agency contests the assessment of a fine, it shall have the right to appeal in a contested case proceeding pursuant to the requirements of chapter 15. All fines collected shall be paid to and are hereby appropriated to the commissioner of administration to be used for improvements in state owned or state leased buildings to bring them into compliance with the state building code for accessibility by physically handicapped persons.*

Sec. 6. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money; providing penalties;"

Page 1, line 8, delete "and 1c" and insert ", 1c, 1d, and by adding a subdivision"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1601: A bill for an act relating to state government; transferring certain powers and duties relating to natural gas pipeline safety from the state fire marshal in the department of public safety to the director of the department of public service.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 299F.56, is amended by adding a subdivision to read:

*Subd. 2a. "Department" means the department of public service.*

Sec. 2. Minnesota Statutes 1978, Section 299F.56, Subdivision 5, is amended to read:

Subd. 5. "Transportation of gas" means the gathering, transmission, or distribution of gas by pipeline or its storage; except that it shall not include any such transportation of gas which is subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States, or the gathering of gas in those rural locations which lie outside the limits of any incorporated or unincorporated city, town, or any other designated residential or commercial area such as a subdivision, a business or shopping center, a community development or any similar popu-

lated area which the ~~state fire marshal~~ *department* may define as a nonrural area.

Sec. 3. Minnesota Statutes 1978, Section 299F.56, Subdivision 6, is amended to read:

Subd. 6. "Pipeline facilities" includes, without limitation, new and existing pipe rights of way and any equipment facility or building used in the transportation of gas or the treatment of gas during the course of transportation, but "rights of way" as used in sections 299F.56 to 299F.64 does not authorize the ~~state fire marshal~~ *department* to prescribe the location or routing of any pipeline facility. "Pipeline facilities" shall not include any facilities subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States.

Sec. 4. Minnesota Statutes 1978, Section 299F.57, is amended to read:

299F.57 [MINIMUM SAFETY STANDARDS.] Subdivision 1. The ~~state fire marshal~~ *department* shall, by order, establish minimum safety standards for the transportation of gas and pipeline facilities. Such Standards may apply to the design, installation, inspection, testing, construction, extension, operation, replacement and maintenance of pipeline facilities. Standards affecting the design, installation, construction, initial inspection and initial testing shall not be applicable to pipeline facilities in existence on the date such standards are adopted. Such Safety standards shall be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the ~~state fire marshal~~ *department* shall consider:

- (a) relevant available pipeline safety data;
- (b) whether such standards are appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of any proposed standards;
- (d) the extent to which any such standards will contribute to public safety; and
- (e) the existing standards established by the Secretary of Transportation of the United States pursuant to the Natural Gas Pipeline Safety Act of 1968 of the United States.

Provided, however, that the ~~state fire marshal~~ *department* shall not be empowered to adopt any such standards as to the transportation of gas or to pipeline facilities which are subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States.

Subd. 2. Any standards prescribed under this section, and amendments thereto, shall become effective 30 days after the date of issuance of such standards unless the ~~state fire marshal~~ *department*, for good cause recited, determines an earlier or later effective date is required as the result of the period reasonably necessary for compliance.

Subd. 3. The rulemaking, contested case and judicial review provisions of chapter 15, shall apply to all orders establishing, amending, revoking, or waiving compliance with, any standard established under sections 299F.56 to 299F.64 or any penalty imposed under sections 299F.56 to 299F.64. The *state fire marshal department* shall afford interested persons an opportunity to participate fully in the establishment of such safety standards through submission of written data, views or arguments, with opportunity to present oral testimony and argument.

Subd. 4. Whenever the *state fire marshal department* shall find a particular facility to be hazardous to life or property, he shall be empowered to require the person operating such facility to take such steps necessary to remove such hazards.

Subd. 5. Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, the *state fire marshal department* may, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standards established under sections 299F.56 to 299F.64, if he determines that a waiver of compliance with such standard is not inconsistent with gas pipeline safety. The *state fire marshal department* shall state his reasons for any such waiver.

Sec. 5. Minnesota Statutes 1978, Section 299F.58, is amended to read:

299F.58 [CERTIFICATIONS AND REPORTS.] The *state fire marshal department* is authorized to make such certifications and reports to the United States Secretary of Transportation as may be required from time to time under the Natural Gas Pipeline Safety Act of 1968 of the United States.

Sec. 6. Minnesota Statutes 1978, Section 299F.60, Subdivision 1, is amended to read:

299F.60 [CIVIL PENALTIES.] Subdivision 1. Any person who violates any provision of sections 299F.56 to 299F.64, or any regulation issued thereunder, shall be subject to a civil penalty to be imposed by the *state fire marshal department* not to exceed \$1,000 for each such violation for each day that such violation persists, except that the maximum civil penalty shall not exceed \$200,000 for any related series of violations.

Sec. 7. Minnesota Statutes 1978, Section 299F.60, Subdivision 2, is amended to read:

Subd. 2. The *state fire marshal department* may negotiate a compromise settlement of a civil penalty. In determining the amount of such penalty, or the amount of the compromise settlement, the *state fire marshal department* shall consider the appropriateness of such penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation. The contested case and judicial review provisions of chapter 15 shall apply to all orders of the *state fire*

~~marshal~~ *department* imposing any penalty under sections 299F.56 to 299F.64 or under any regulation promulgated thereunder. The amount of such penalty, when finally determined, may be deducted from any sums owing by the state of Minnesota to the person charged.

Sec. 8. Minnesota Statutes 1978, Section 299F.61, Subdivision 1, is amended to read:

299F.61 [INJUNCTIVE RELIEF.] Subdivision 1. The district courts of the state of Minnesota shall have jurisdiction, subject to the provisions of the statutes and the rules of practice and procedure of the state of Minnesota relative to civil actions in the district courts, to restrain violations of sections 299F.56 to 299F.64, including the restraint of transportation of gas or the operation of a pipeline facility, or to enforce standards established hereunder upon petition by the attorney general on behalf of the state of Minnesota. Whenever practicable, the ~~state fire marshal~~ *department* shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views, and, except in the case of a knowing and willful violation, shall afford him reasonable opportunity to achieve compliance. However, the failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

Sec. 9. Minnesota Statutes 1978, Section 299F.62, is amended to read:

299F.62 [PLAN FOR INSPECTION AND MAINTENANCE.] Each person who engages in the transportation of gas or who owns or operates pipeline facilities subject to sections 299F.56 to 299F.64 shall file with the ~~state fire marshal~~ *department* a plan for inspection and maintenance of each such pipeline facility owned or operated by such person, and any changes in such plan, in accordance with the regulations prescribed by the ~~state fire marshal~~ *department*. If the ~~state fire marshal~~ *department* finds that such plan is inadequate to achieve safe operation, ~~he~~ *it* shall, after notice and opportunity for a hearing, require such plan to be revised. The plan required by the ~~state fire marshal~~ *department* shall be practicable and designed to meet the need for pipeline safety. In determining the adequacy of any such plan, the ~~state fire marshal~~ *department* shall consider the following:

- (a) relevant available pipeline safety data;
- (b) whether the plan is appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of the plan; and
- (d) the extent to which such plan will contribute to public safety.

Sec. 10. Minnesota Statutes 1978, Section 299F.63, is amended to read:

299F.63 [R E C O R D S AND REPORTS; INSPECTIONS;

**COSTS; TRADE SECRETS.]** Subdivision 1. Each person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the state fire marshal department may reasonably require to enable him it to determine whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established under sections 299F.56 to 299F.64. Each such person shall, upon request of an officer, employee, or agent authorized by the state fire marshal department, permit such officer, employee, or agent to inspect books, papers, records and documents relevant to determining whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established pursuant to sections 299F.56 to 299F.64. For purposes of enforcement of sections 299F.56 to 299F.64, officers, employees, or agents authorized by the state fire marshal department, upon presenting appropriate credentials to the individual in charge, are authorized to enter upon, at reasonable times, pipeline facilities, and to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such the facilities. Each such inspection shall be commenced and completed with reasonable promptness.

*Subd. 1a. The department shall assess and bill the salary and expense costs of the gas pipeline safety inspection program less any offsetting federal grant reimbursements for that program to all the gas systems whether private or municipal subject to inspection in proportion to the number of gas meters in each system. Billing shall be done within 90 days of the close of the state fiscal year. The assessment shall be paid to the state treasury within 30 days after the bill has been mailed to the gas systems which mailed bill shall constitute notice of assessment and demand for payment thereof.*

Subd. 2. In the course of the exercise of his its duties and responsibilities under sections 299F.56 to 299F.64, the state fire marshal department shall wherever practicable employ a practice of spot checking and issuance of certificates of compliance, with respect to persons subject to sections 299F.56 to 299F.64, to limit costs of enforcement of the safety standards established pursuant to sections 299F.56 to 299F.64.

Subd. 3. All information reported to or otherwise obtained by the state fire marshal or his department or its representative, which contains or relates to a trade secret, as referred to in section 1905 of title 18 of the United States Code, or otherwise constitutes a trade secret under law, shall be considered confidential for the purpose of such laws, except that such information may be disclosed to other officers or employees concerned with carrying out sections 299F.56 to 299F.64 or when relevant in any proceeding under sections 299F.56 to 299F.64.

Sec. 11. Minnesota Statutes 1978, Section 299F.64, is amended to read:

299F.64 [FEDERAL MONEYS.] The state fire marshal de-

partment may accept any and all moneys provided for or made available to this state by the United States of America or any department or agency thereof with respect to prescribing, setting, and enforcing rules, regulations, and safety standards for the transportation of natural and other gas by pipelines in accordance with the provisions of federal law and any rules or regulations promulgated thereunder and the state fire marshal department is further authorized to do any and all things, not contrary to the laws of this state, required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal moneys.

Sec. 12. [TRANSFER OF FUNCTIONS; RULES; PENDING ACTIONS.] *Subdivision 1. All powers, duties and functions previously vested in the division of fire marshal of the department of public safety by Minnesota Statutes 1978, Sections 299F.56 to 299F.64, are transferred to, vested in and imposed upon the department of public service, effective July 1, 1980.*

*Subd. 2. Regulations and standards for gas and pipeline safety as incorporated in Title 49, Code of Federal Regulations 192, and amendments thereto published in the Federal Register through September 5, 1978, as modified by Fire Mar Rules 4, 14 and 23, are incorporated by reference and made a part of the Minnesota rules and standards for gas and pipeline safety, along with existing Fire Mar Rules 1 to 29. Administration of these rules, regulations and standards is transferred from the division of fire marshal of the department of public safety to the department of public service, effective July 1, 1980. Rules, regulations and standards adopted or transferred to the department of public service by this subdivision shall continue in effect until repealed, modified or suspended by subsequent rule of the department of public service. Discrepancies or inconsistencies between any provision of Fire Mar Rules 1 to 29 and the Code of Federal Regulations shall be resolved in favor of the Code of Federal Regulations.*

*Subd. 3. Any proceeding, legal action, prosecution or other business or matter undertaken or commenced prior to July 1, 1980, by the fire marshal division of the department of public safety in the exercise of a power, duty or function transferred by this section may be continued to completion by the department of public service in the same manner, under the same terms and conditions and with the same effect as though undertaken or commenced by the department of public service in the first instance.*

Sec. 13. [TRANSFER OF FUNDS, POSITIONS, EQUIPMENT.] *Subdivision 1. All unexpended funds appropriated to the department of public safety for the gas pipeline safety program by Laws 1979, Chapter 333, Section 41, are cancelled and shall revert to the general fund.*

*Subd. 2. One full-time position in the classified service in the department of public safety used to support any of the functions, powers and duties transferred to the department of public service is transferred to the department of public service. The commissioner of finance and commissioner of personnel shall determine*

*the position to be transferred along with any accrued benefits pertaining thereto to the department of public service.*

*Subd. 3. All equipment, furnishings, supplies and any appropriate contractual agreements related to the gas pipeline safety program are transferred to the department of public service.*

*Subd. 4. The authorized complement of the department of public service is increased by six positions and the authorized complement of the department of public safety is reduced by one position.*

*Sec. 14. There is appropriated to the department of public service from the general fund \$259,280 for the biennium ending June 30, 1981. The department of public service is authorized to make application for, receive and deposit into the general fund any and all gas pipeline safety program funds available from the federal government in support of this program.*

*Sec. 15. This act is effective July 1, 1980."*

Delete the title and insert:

"A bill for an act relating to natural gas pipeline safety; transferring powers and duties in the administration of pipeline safety laws from the fire marshal division of the department of public safety to the department of public service; transferring personnel and records; appropriating funds; amending Minnesota Statutes 1978, Sections 299F.56, Subdivisions 5, and 6, and by adding a subdivision; 299F.57; 299F.58; 299F.60, Subdivisions 1 and 2; 299F.61, Subdivision 1; 299F.62; 299F.63; and 299F.64."

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1430: A bill for an act relating to motor vehicles; providing for the proration of taxes on certain vehicles on the basis of the registration period; providing for the issuance and use of certain motor vehicle dealer plates; adjusting the bond provisions for certain dealers; authorizing dealers' licenses for the sale of motorized bicycles; specifying grounds for suspension and revocation of dealers' licenses; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 2; and 168.27, Subdivisions 2, 12, 20, 22 and 24.

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

Page 5, line 30, strike "in the"

Page 5, line 31, strike the old language and delete the new language

Page 5, line 32, strike "the amount of \$2,500;"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2166: A bill for an act relating to the city of Minneapolis; authorizing the creation of an economic development and redevelopment agency or department.

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

Delete everything after the enacting clause and insert:

“Section 1. [MINNEAPOLIS, CITY OF; DEVELOPMENT AND REDEVELOPMENT, PURPOSE.] The legislature of the state of Minnesota finds that the preservation of the quality of life in a major metropolitan city is dependent upon creation of an expanding tax base including commercial and industrial valuation, maintaining economically viable commercial and industrial areas within the city, encouraging private reinvestment within the city, encouraging redevelopment, maintaining and increasing employment opportunities, and providing improved housing opportunities, and that assistance which is provided by local government to accomplish these objectives should be provided as efficiently and effectively as possible, and that a coherent organized structure is necessary to maximize the impact of local government’s activities while maintaining local government’s involvement at the minimum level necessary, and that the economic development, housing and redevelopment activity of the city of Minneapolis is in need of increased efficiency and improved organization.

Sec. 2. [MINNEAPOLIS REDEVELOPMENT STRUCTURE.] Subdivision 1. Notwithstanding any contrary provision of law or charter, the city council of the city of Minneapolis may, by ordinance:

(a) Establish an independent development and redevelopment agency, corporate and politic, which shall be a governmental subdivision of the state of Minnesota. The agency shall be governed by a board of commissioners. The city council, by ordinance, shall provide for the establishment of the board of commissioners, and shall state the number of commissioners, terms of office, the appointing authority of the commissioners, and other matters relating to the composition of the board and shall designate the name for the agency. Notwithstanding any contrary provisions of the Minneapolis city charter, state statute, veterans preference act, or civil service rule, law, or regulation, all employees of the agency shall be selected and employed by the board of commissioners and shall not by virtue of employment by the agency be employees of the city of Minneapolis, and the terms and conditions of employment, including salary, shall be determined by the board of commissioners, subject only to limitations contained in this act. Throughout this act the term “agency” means the agency established pursuant to this clause.

The passage of the first ordinance establishing an agency, the passage of any ordinance changing the number of commissioners, the term of office of the commissioners, or the appointing authority

of the commissioners, shall require affirmative votes of nine members of the city council. The vote of the city council adopting the ordinance shall be subject to mayoral veto and city council override of that veto.

(b) Establish a development and redevelopment department of the city. Notwithstanding any contrary provision of the Minneapolis city charter, statute, veterans preference act, or civil service rule, law or regulation, the ordinance creating the department may provide for a director and three assistant directors, who shall be in the unclassified service of the city of Minneapolis, and may provide for the director to appoint not more than ten employees to perform managerial duties as defined by the director, who shall be in the unclassified service of the city. The ordinance shall establish the appointing authority of the director and assistant directors, and the manner of appointment and term of office, if any, and shall provide for the terms and conditions of employment, including salary, subject only to the limitations contained within this act for all employees of the department, and shall designate the name for the department. The director shall select and appoint all employees of the department. Throughout this act the term "department" means the department established pursuant to this clause.

(c) Any time up to six months after the passage of the first ordinance implementing the provisions of this section, transfer any employee of the city of Minneapolis or the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission to the employment of the agency or the department. An employee who is in the classified service of the city of Minneapolis whose position is being transferred pursuant to this clause, may elect to remain in the classified service and exercise the rights provided by the Minneapolis civil service commission to an employee as if the position held by the employee had been eliminated. Any employee who is transferred from employment with one employer pursuant to this clause to another employer shall retain rights and benefits accumulated including seniority, accumulated vacation and sick leave, and length of service for the purposes of calculating benefits, layoffs, seniority rating for promotions and merit increases, emoluments or rewards.

An employee of the Minneapolis Housing and Redevelopment Authority, except the director and deputy directors, whose job responsibilities are transferred to the agency or department shall either become an employee of the agency or department with similar job responsibilities, or shall remain an employee of the original agency in a position for which the person is qualified, as determined by the city council and shall not be required to change residence as a result of the transfer.

If a person employed as an employee of the agency or as a director or assistant director or as a managerial employee of the department is, at the time of agency employment, a member of the classified service of the city of Minneapolis, the employee

shall be deemed to be on leave of absence during his tenure in the employment, and upon termination of service, shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classification position, seniority shall prevail, and the person most recently certified to the position shall be returned to the permanent civil service classification held by him prior to certification.

Subd. 2. The ordinance which creates the agency or department shall establish procedures for including citizen input when the agency or department establishes policies and programs. The city council shall provide for an advisory role for citizens in the establishment of citizen participation procedures to be included in the ordinance which creates the agency or department.

The citizen participation procedures established by the ordinance must meet the following standards:

- (a) All citizen participation must be done openly;
- (b) An advisory role for citizens, including project area residents and other affected persons, if any, must be provided in all stages of the activities of the agency or department, including policy establishment and implementation, assessment of performance and policy amendment;
- (c) Reasonable efforts must be included to ensure the continuity of involvement of citizens throughout the activities of the agency or department;
- (d) Public hearings with adequate notice must be provided prior to the establishment of policies and as the policies are implemented;
- (e) A method for providing proposed policies and proposals for implementing the policies to interested citizens must be provided;
- (f) Citizens must be encouraged to submit their views and proposals for policies and the implementation of policies to the department or agency; and
- (g) A technical assistance policy for citizen organizations and affected groups must be developed.

Subd. 3. Notwithstanding any contrary provision of the public employees labor relations act, the employees of the department who are not supervisory or confidential employees shall be designated an appropriate bargaining unit. The designation conferred by this subdivision shall expire October 1, 1981.

Subd. 4. All employees of the agency shall be considered employees of the city of Minneapolis for the purposes of membership in the public employee retirement association. An employee of the Minneapolis housing and redevelopment authority who is transferred to employment of the department or agency shall elect one of the following options with respect to retirement programs within six months after the date of transfer:

- (a) The employee may continue as a member of the retirement

program established by the Minneapolis housing and redevelopment authority and in effect on the date of transfer, and the agency or department shall make the necessary employer contributions to the program instead of becoming a member of the public employees retirement association.

(b) The employee may become a member of the public employees retirement association.

Subd. 5. The terms of a collective bargaining agreement which are not in conflict with any applicable rules or regulations of the Minneapolis civil service commission, which is in effect between a governmental subdivision and its employees, whose employees, some or all of whom are transferred to the department or agency shall be binding upon the department or agency for the length of the term of the contract with respect to the employees transferred from the contracting subdivision.

Sec. 3. [AUTHORITY.] Subdivision 1. Notwithstanding any contrary law or provision of the Minneapolis city charter, the city council may exercise the powers presently, or hereafter granted to a governmental agency or subdivision by Minnesota Statutes, Chapters 458 and 462 except the power to operate and maintain public housing as defined in Minnesota Statutes, Chapter 462. Notwithstanding any contrary law or provision of the Minneapolis city charter, the agency may after approval by the city council by ordinance exercise any of the powers presently or hereafter granted to a governmental subdivision by Minnesota Statutes, Chapters 458, 462, 472, 472A, and 474. The city council or the agency may exercise the powers granted by this subdivision and any other development or redevelopment powers authorized by other laws, independently or in conjunction with each other as though all of the powers had been granted to a single entity.

Subd. 2. In addition to any other powers granted to the city of Minneapolis, and not in limitation thereof, the city council may by ordinance divide economic development, housing, and redevelopment powers granted to the city between the agency or department created pursuant to this act, and any authority or commission established pursuant to statute or the Minneapolis city charter for the purposes of economic development, or housing, or redevelopment.

Subd. 3. The city council may, upon the request of the department, levy a general ad valorem tax for any purpose for which a housing and redevelopment authority pursuant to Minnesota Statutes, Chapter 462 may levy an ad valorem tax. The agency may levy a general ad valorem tax upon all taxable property in the city of Minneapolis for any economic development, housing, or redevelopment purpose for which the city council may levy a tax, or for which a housing and redevelopment authority pursuant to Minnesota Statutes, Chapter 462 may levy a tax. The levy of this tax shall be in the same manner as for a tax levied by the city council. The tax levied by the agency pursuant to this subdivision shall not exceed three mills levied upon all taxable property in the city of Minneapolis, provided that this limitation shall not

apply to any levy for the repayment of bonds or obligations of the agency.

Subd. 4. The agency may pledge the full faith and credit of the agency for the repayment of any bonds which the agency is authorized to issue pursuant to any statute or charter provision. The city council may pledge any anticipated revenues of or reserves accumulated by the department for the repayment of any bonds issued by the city for economic development, housing or redevelopment purposes.

Subd. 5. The city council may, by ordinance upon request of the agency, pledge the full faith and credit of the city of Minneapolis for the repayment of bonds to be issued by the agency. The pledge of the full faith and credit of the city of Minneapolis shall not be subject to the provisions of Minnesota Statutes, Section 475.58, or to any limitations of the Minneapolis city charter. The amount of bonds issued by the agency and outstanding at any one time for which the full faith and credit of the city of Minneapolis is pledged shall not exceed six percent times the market value of all taxable real and personal property within the city of Minneapolis and shall not be included in any debt limitations imposed upon the city of Minneapolis.

Subd. 6. Notwithstanding any contrary law or provision of the Minneapolis city charter, the city council may, by resolution, transfer the control, authority, and operation of any project as defined in Minnesota Statutes, Section 273.73, Subdivision 8, or any other program or project authorized by Minnesota Statutes, Chapter 462 for the purpose of rehabilitation of housing units or for the purpose of providing public housing as defined in Minnesota Statutes, Chapter 462, located within the city of Minneapolis, from the governmental agency or subdivision which established the project to any other governmental agency or subdivision established in whole or in part for the purpose of economic development housing or redevelopment within the city of Minneapolis, including the city council. The city council may also require acceptance of control, authority, and operation of the project by the governmental entity to which the transfer is intended. The governmental agency or subdivision to which the control, authority, and operation of the project is transferred, may exercise all of the powers and only the powers which the governmental unit which established the project could exercise with respect to the project.

Upon the transfer of a project or program, the receiving agency or body shall covenant and pledge to perform the terms, conditions, and covenants of bond indenture or other agreement executed for the security of any bonds issued by the governmental subdivision which initiated the project or program. The receiving governmental subdivision is granted by this act all powers necessary to perform the terms, conditions, and covenants of any indenture or other agreement executed for the security of bonds on which it shall become obligated by operation of this subdivision.

Subd. 7. Notwithstanding any contrary law or provision of the

Minneapolis city charter, the city council may, by resolution, require any governmental subdivision which is conducting a project as defined in Minnesota Statutes, Section 273.73, Subdivision 8, or any other program or project authorized by Minnesota Statutes, Chapter 462, for the purpose of rehabilitation of housing units or for the purpose of providing public housing as defined in Minnesota Statutes, Chapter 462, within the city of Minneapolis, to contract for services for administration of the project or any portion of the project with any other governmental subdivision established in whole or in part for the purpose of economic development or redevelopment or housing within the city of Minneapolis, including the city council. The city council may also require the acceptance of the contract for services by the governmental subdivision intended to provide the service for administration.

Subd. 8. Except when otherwise prohibited by law or when the reserves are pledged for the repayment of bonds issued by the agency, the city council may, by resolution, require the agency to transfer any portion of the reserves generated by activities of the agency which the city council determines is not necessary for the successful operation of the agency, to the city of Minneapolis general fund. The city council may transfer funds so received to any account and may expend the funds for any purpose.

Sec. 4. [LIMITATIONS.] The city council may, by ordinance, impose the following limitations upon the actions of the agency:

(a) That the sale of any or all bonds or obligations issued by the agency be approved before issuance by the city council by resolution.

(b) That the agency must follow the budget process for city departments as provided in the Minneapolis city charter and as implemented by the city council and mayor.

(c) That all official actions of the agency be consistent with the adopted comprehensive plan of the city of Minneapolis, and any official controls implementing the comprehensive plan.

(d) That the agency submit to the city council for approval by resolution any proposed project as defined in Minnesota Statutes, Section 273.73, Subdivision 8.

(e) That the agency submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval by resolution.

(f) That the agency submit its administrative structure and management practices to the city council for approval by resolution.

(g) That the levy of any tax by the agency be approved by the city council by ordinance prior to the levy of the tax.

(h) Any other limitation or control established by the city council by ordinance.

Limitations imposed pursuant to this section shall not be

applied in a manner which impairs the security of any bonds issued prior to the imposition of the limitation. The city council shall not amend any limitations in effect at the time any bonds or obligations are issued pursuant to this act to the detriment of the holder of the bonds or obligations. A determination by the city council that the limitations imposed pursuant to this section have been complied with by the agency shall be conclusive.

**Sec. 5. [CITY OF BLOOMINGTON.]** The city of Bloomington is hereby granted all those powers of a port authority contained in Minnesota Statutes, Chapter 458.

**Sec. 6. [EFFECTIVE DATE.]** Sections 1 to 4 of this act shall become effective on the day following the filing of a certificate of approval by the chief clerical officer of the city of Minneapolis pursuant to Minnesota Statutes, 1979 Supplement, Section 645.021, Subdivision 3. Section 5 of this act shall become effective on the day following the filing of a certificate of approval by the chief clerical officer of the city of Bloomington pursuant to Minnesota Statutes, 1979 Supplement, Section 645.021, Subdivision 3."

Amend the title as follows:

Page 1, line 2, delete "city" and insert "cities"

Page 1, line 2, before the semicolon insert "and Bloomington"

Page 1, line 4, before the period, insert "; granting powers of the port authority to the city of Bloomington"

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1325: A bill for an act relating to health; promoting health maintenance organizations by eliminating certain regulations; promoting competition in health care delivery; amending Minnesota Statutes 1978, Sections 62D.01, Subdivision 2; 62D.03; 62D.04, Subdivision 1; 62D.05; 62D.06, Subdivision 1; 62D.08; 62D.12, Subdivision 9; 62D.20; 62D.22, Subdivisions 2, 3, 7, and by adding a subdivision; repealing Minnesota Statutes 1978, Sections 62D.09; and 62D.10, Subdivision 2.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE I

Section 1. Minnesota Statutes 1978, Section 62A.16, is amended to read:

**62A.16 [GROUP HOSPITAL AND MEDICAL COVERAGE AND HEALTH CARE PLANS, APPLICABILITY.]** The provisions of sections 62A.16 and 62A.17 shall apply to all group insurance policies or group subscriber contracts providing cover-

age for hospital or medical expenses incurred by a Minnesota resident employed within this state. Sections 62A.16 and 62A.17 shall also apply to health care plans established by employers in this state through health maintenance organizations or *specialized health maintenance plans* certified under chapter 62D.

Sec. 2. Minnesota Statutes 1978, Section 62A.17, Subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITY OF EMPLOYER.] After timely receipt of the monthly payment from an eligible employee, if the employer, or the trustee if the policy, contract or health care plan is administered by a trust, fails to make the payment to the insurer, the nonprofit health service plan corporation or , the health maintenance organization or *specialized health maintenance plan* , with the result that the employee's coverage is terminated, the employer or the trust shall become liable for the employee's coverage to the same extent as the insurer, the nonprofit health service plan corporation or , the health maintenance organization or *the specialized health maintenace plan* , would be if the coverage were still in effect.

Sec. 3. Minnesota Statutes 1978, Section 62D.01, Subdivision 2, is amended to read:

Subd. 2. (a) Faced with the continuation of mounting costs of health care coupled with its inaccessibility to large segments of the population, the legislature has determined that there is a need to explore alternative methods for the delivery of health care services, with a view toward achieving greater *competition*, efficiency and economy in providing these services.

(b) It is, therefore, the policy of the state to eliminate the barriers to the organization, promotion, and expansion of health maintenance organizations and *specialized health maintenance plans* ; to provide for their regulation by the state commissioner of health; and to exempt them from the operation of the insurance and nonprofit health service plan corporation laws of the state except as hereinafter provided.

(c) It is further the intention of the legislature to closely monitor the development of health maintenance organizations and *specialized health maintenance plans* in order to assess their impact on the costs of health care to consumers, the accessibility of health care to consumers, and the quality of health care provided to consumers.

Sec. 4. Minnesota Statutes 1978, Section 62D.02, Subdivision 4, is amended to read:

Subd. 4. "Health maintenance organization" means a nonprofit corporation ~~organized under chapter 317~~ , controlled and operated as provided in sections 62D.01 to ~~62D.29~~ 62D.30 , which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of such services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee.

Sec. 5. Minnesota Statutes 1978, Section 62D.02, Subdivision 5, is amended to read:

Subd. 5. "Evidence of coverage" means any certificate, agreement or contract issued to an enrollee which sets out the coverage to which he is entitled under the health maintenance contract or *specialized health maintenance contract* which covers him.

Sec. 6. Minnesota Statutes 1978, Section 62D.02, Subdivision 6, is amended to read:

Subd. 6. "Enrollee" means any person who has entered into, or is covered by, a health maintenance contract or *specialized health maintenance contract*.

Sec. 7. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

*Subd. 11. "Specialized health maintenance plan" means a corporation controlled and operated as provided in sections 62D.01 to 62D.30, which provides, either directly or through arrangements with providers or other persons, comprehensive specialized health maintenance services in a single specialized area of health services, or arranges to provide such services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee. Single specialized areas of health services are areas such as dental services, mental health services, chiropractic services, chemical dependency services and other similar areas of services.*

Sec. 8. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

*Subd. 12. "Specialized health maintenance services" means a comprehensive set of health services which the enrollees might reasonably require to be maintained in good health in a single specialized area of health as defined in subdivision 11, including as a minimum and as appropriate to the specialized area of health, but not limited to, outpatient health services, and preventive health services.*

Sec. 9. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

*Subd. 13. "Specialized health maintenance contract" means any contract by which a specialized health maintenance plan agrees to provide specialized health maintenance services to enrollees. The contract may contain reasonable enrollee copayment provisions. Any contract may provide for specialized health maintenance services in addition to those set forth in subdivision 12.*

Sec. 10. Minnesota Statutes 1978, Section 62D.03, is amended to read:

62D.03 [ESTABLISHMENT OF HEALTH MAINTENANCE ORGANIZATIONS AND SPECIALIZED HEALTH MAINTENANCE PLANS.] Subdivision 1. Notwithstanding any law of this state to the contrary, any ~~nonprofit~~ corporation organized to do so may apply to the commissioner of health for a certificate of authority to establish and operate a health maintenance organization or *specialized health maintenance plan* in compliance

with sections 62D.01 to 62D.30. No person shall establish or operate a health maintenance organization or *specialized health maintenance plan* in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or , health maintenance contract , *specialized health maintenance plan* or *special health maintenance contract* unless such the organization or plan has a certificate of authority under sections 62D.01 to ~~62D.29~~ 62D.30 .

Subd. 2. Every person operating a health maintenance organization on July 1, 1973 shall submit an application for a certificate of authority, as provided in subdivision 4, within 90 days of July 1, 1973. Each such applicant may continue to operate until the commissioner of health acts upon the application. In the event that an application is denied, the applicant shall henceforth be treated as a health maintenance organization whose certificate of authority has been revoked.

Subd. 3. 2. The commissioner of health may require any person providing physician and hospital services *comprehensive health maintenance services* with payments made in the manner set forth in section 62D.02, subdivision 4, or any person providing *specialized health maintenance services*, with payments made in the manner set forth in section 62D.02, subdivision 11, to apply for a certificate of authority under sections 62D.01 to ~~62D.29~~ 62D.30 . Any person directed to apply for a certificate of authority shall be subject to the provisions of subdivision 2.

Subd. 4. 3. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, and shall be in a form prescribed by the commissioner of health. Each application shall include the following:

(a) A copy of the basic organizational document, if any, of the applicant; such as , including the articles of incorporation, or other applicable documents. and all amendments thereto;

(b) A copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant;

(c) A list of the names, addresses, and official positions of the following persons:

All members of the board of directors, and the principal officers of the organization; which shall contain a full disclosure in the application of the extent and nature of any contract or financial arrangements between them and the health maintenance organization or *specialized health maintenance plan*, including a full disclosure of any financial arrangements between them and any provider or other person concerning any financial relationship with the health maintenance organization or *specialized health maintenance plan* ;

(d) A statement generally describing the health maintenance organization or *specialized health maintenance plan* , its health care plan or plans, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide

enrollees with comprehensive health maintenance services or *comprehensive specialized health maintenance services* ;

(e) A copy of the form of each evidence of coverage to be issued to the enrollees;

(f) A copy of the form of each individual or group health maintenance contract or *specialized health maintenance contract* which is to be issued to enrollees or their representatives;

(g) Financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

(h) ~~(1)~~ A description of the proposed method of marketing the plan, ~~(2)~~ A schedule of proposed charges ; and ~~(3)~~ a financial plan which includes a three year projection of the expenses and income and other sources of future capital ;

~~(i)~~ A statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

~~(j)~~ (i) A description of the complaint procedures to be utilized as required under section 62D.11;

~~(k)~~ (j) A description of the procedures and programs to be implemented to meet the requirements of section 62D.04, subdivision 1, clauses (b) and (e) and to monitor the quality of health care provided to enrollees;

~~(l)~~ (k) A description of the mechanism by which enrollees will be afforded an opportunity to participate in *express their views* on matters of policy and operation under section 62D.06; and

~~(m)~~ (l) Such Other information as the commissioner of health may reasonably require to be provided.

Sec. 11. Minnesota Statutes 1978, Section 62D.04, Subdivision 1, is amended to read:

62D.04 [ISSUANCE OF CERTIFICATE AUTHORITY.] Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) Demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) Arrangements for an ongoing evaluation of the quality of health care;

~~(c)~~ A procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

~~(d)~~ (c) Reasonable provisions for emergency and out of area health care services;

**(e) (d)** Demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees *through financial arrangements or agreements with providers or other persons or a combination thereof*. In making this determination, the commissioner of health may consider either the standards of clauses (1) and (2), or the standards of clauses (3) and (4), whichever the applicant shall elect;

**(1)** The financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

**(2)** The adequacy of its working capital;

**(3)** Arrangements which will guarantee for a reasonable period of time the continued availability of payment of the cost of health care services in the event of discontinuance of the health maintenance organization; and

**(4)** Agreements with providers for the provision of health care services ;

**(f) (e)** Demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services or *comprehensive specialized health maintenance services*, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit a health maintenance organization or *specialized health maintenance plan* from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services or *comprehensive specialized health maintenance services*, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services or *comprehensive specialized health maintenance services* to its members on a non-elective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's or *specialized health maintenance plan's* costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

**(g) (f)** Otherwise met the requirements of sections 62D.01 to ~~62D.29~~ 62D.30.

Sec. 12. Minnesota Statutes 1978, Section 62D.04, Subdivision 3, is amended to read:

Subd. 3. Except as provided in section 62D.03, subdivision 2, no person who has not been issued a certificate of authority shall use the words "health maintenance organization" or "*specialized health maintenance plan*" or the initials "HMO" or "SHMP" in its name, contracts or literature. Provided, however, that persons who are operating under a contract with, operating in association with, enrolling enrollees for, or otherwise authorized by a health maintenance organization or *specialized health maintenance plan* licensed under sections 62D.01 to ~~62D.29~~ 62D.30 to act on its behalf may use the terms "health maintenance organization" or

"HMO", or *specialized health maintenance plan* or "SHMP", for the limited purpose of denoting or explaining their association or relationship with the authorized health maintenance organization or *specialized health maintenance health plan*. No health maintenance organization or *specialized health maintenance plan* which has a minority of consumers as members of its board of directors shall use the words "consumer controlled" in its name or in any way represent to the public that it is controlled by consumers.

Sec. 13. Minnesota Statutes 1978, Section 62D.05, is amended to read:

62D.05 [POWERS OF HEALTH MAINTENANCE ORGANIZATIONS AND SPECIALIZED HEALTH MAINTENANCE PLANS.] Subdivision 1. Any ~~nonprofit~~ corporation may, upon obtaining a certificate of authority as required in sections 62D.01 to ~~62D.29~~ 62D.30, operate as a health maintenance organization or *specialized health maintenance plan*.

Subd. 2. A health maintenance organization or *specialized health maintenance plan* may enter into health maintenance contracts or *specialized health maintenance contracts* in this state and engage in any other activities consistent with sections 62D.01 to ~~62D.29~~ 62D.30 which are necessary to the performance of its obligations under ~~such~~ the contracts or authorize its representatives to do so.

Subd. 3. A health maintenance organization or *specialized health maintenance plan* may contract with providers of health care services to render the services the health maintenance organization or *specialized health maintenance plan* has promised to provide under the terms of its health maintenance contracts or *specialized health maintenance contracts*, may, subject to the limitations of section 62D.04, subdivision 1, clause ~~(f)~~ (e), contract with insurance companies and nonprofit health service plan corporations for insurance, indemnity or reimbursement of its cost of providing health care services or *specialized health maintenance services* for enrollees or against the risks incurred by the health maintenance organization or *specialized health maintenance plan* and may contract with insurance companies and nonprofit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance organization or *specialized health maintenance plan*, including the customary prepayment amount and any co-payment obligations.

Subd. 4. A health maintenance organization or *specialized health maintenance plan* may contract with other persons for the provision of services, including, but not limited to, managerial and administration, marketing and enrolling, data processing, actuarial analysis, and billing services. ~~If contracts are made with insurance companies or nonprofit health service plan corporations, such companies or corporations must be authorized to transact business in this state.~~

Subd. 5. Each health maintenance organization or *specialized health maintenance plan* authorized to operate under sections 62D.01 to ~~62D.29~~ 62D.30, or its representative, may accept from

governmental agencies, private agencies, corporations, associations, groups, individuals, or other persons payments covering all or part of the cost of health care services or *specialized health maintenance services* provided to enrollees.

*Subd. 6. Any recipient of medical assistance, pursuant to chapter 256B, may make application to join a health maintenance organization or specialized health maintenance plan which has been approved for medical assistance by the commissioner of public welfare. If the commissioner of public welfare determines that the charge for the health maintenance contract or specialized health maintenance contract is less than the average state cost per recipient who is not enrolled in a health maintenance organization or specialized health maintenance plan, the commissioner shall provide recipients who enroll in health maintenance organizations or specialized health maintenance plans a special transportation allowance equal to one-half of the difference in costs.*

Sec. 14. Minnesota Statutes 1978, Section 62D.06, Subdivision 1, is amended to read:

62D.06 [GOVERNING BODY.] Subdivision 1. The governing body of any health maintenance organization or *specialized health maintenance plan* may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization or *specialized health maintenance plan* has been authorized under sections 62D.01 to ~~62D.20~~ 62D.30 for one year, at least 40 percent of the governing body shall be composed of consumers elected by the enrollees from among the enrollees.

Sec. 15. Minnesota Statutes 1978, Section 62D.07, is amended to read:

62D.07 [EVIDENCE OF COVERAGE.] Subdivision 1. Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. The health maintenance organization or *specialized health maintenance plan* or its designated representative shall issue the evidence of coverage.

Subd. 2. No evidence of coverage or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or amendment thereto has been filed with the commissioner of health pursuant to sections 62D.03 or 62D.08.

Subd. 3. An evidence of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health care plan;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's or *specialized health maintenance plan's* method for resolving enrollee complaints.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

Sec. 16. Minnesota Statutes 1978, Section 62D.08, is amended to read:

62D.08 [ANNUAL REPORT.] Subdivision 1. A health maintenance organization or *specialized health maintenance plan* shall, unless otherwise provided for by regulations adopted by the commissioner of health, file notice with the commissioner of health prior to any modification of the operations or documents described in the information submitted under clauses (a), (b), (e), (f), (i), (j), (k), and (l) ; and ~~(m)~~ of section 62D.03, subdivision 4. If the commissioner of health does not disapprove of the filing within 30 days, it shall be deemed approved and may be implemented by the health maintenance organization or *specialized health maintenance plan* .

Subd. 2. Every health maintenance organization or *specialized health maintenance plan* shall annually, on or before April 1, file a verified report with the commissioner of health and to the commissioner of insurance covering the preceding calendar year.

Subd. 3. ~~Such~~ *The* report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or non-profit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract or *specialized health maintenance contract* , and (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment;

(b) The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year;

~~(c)~~ A summary of information compiled pursuant to section

62D.04, subdivision 1, clause (e) in such form as may be required by the commissioner of health;

(d) A report of the names and residence addresses of all persons set forth in section 62D.03, subdivision 4, clause (e) who were associated with the health maintenance organization during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (e); and

(e) (c) Such Any other information relating to the performance of the health maintenance organization or *specialized health maintenance plan* as is required by rule and reasonably necessary to enable the commissioner of health to carry out his duties under sections 62D.01 to ~~62D.29~~ 62D.30 .

Sec. 17. Minnesota Statutes 1978, Section 62D.10, Subdivision 1, is amended to read:

62D.10 [PROVISIONS APPLICABLE TO ALL HEALTH PLANS.] Subdivision 1. The provisions of this section shall be applicable to nonprofit prepaid health care plans regulated under chapter 317, and health maintenance organizations *and specialized health maintenance plans* regulated pursuant to sections 62D.01 to ~~62D.29~~ 62D.30 , both each of which for purposes of this section shall be known as "health plans".

Sec. 18. Minnesota Statutes 1978, Section 62D.10, Subdivision 3, is amended to read:

Subd. 3. A health plan providing health maintenance services or *specialized health maintenance services*, or reimbursement for health care costs to a specified group or groups may limit the open enrollment in each group plan to members of such group or groups, but after it has been in operation 24 months shall have an annual open enrollment period of at least one month during which it accepts enrollees from the members of each group up to a minimum of five percent of its current enrollment in each group plan. "Specified groups" may include, but shall not be limited to:

(a) Employees of one or more specified employers;

(b) Members of one or more specified labor unions;

(c) Members of one or more specified associations;

(d) Patients of physicians providing services through a health care plan who had previously provided services outside the health care plan; and

(e) Members of an existing group insurance policy.

Sec. 19. Minnesota Statutes 1978, Section 62D.101, is amended to read:

62D.101 [CONVERSION PRIVILEGES FOR FORMER SPOUSES.] Subdivision 1. No health maintenance contract or *specialized health maintenance contract* which in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract or *specialized health maintenance contract* solely as a result of a break in the marital relationship except by reason of an entry of a valid decree of dissolution of marriage between the parties.

Subd. 2. Every health maintenance contract or *specialized health maintenance contract*, other than a contract whose continuance is contingent upon continued employment or membership, which contains a provision for termination of coverage of the spouse upon dissolution of marriage shall contain a provision to the effect that upon the entry of a valid decree of dissolution of marriage between the covered parties the spouse shall be entitled to have issued to him or her, without evidence of insurability, upon application made to the health maintenance organization or *specialized health maintenance plan* within 30 days following the entry of the decree, and upon the payment of the appropriate fee, an individual health maintenance contract or *specialized health maintenance contract*. The contract shall provide the coverage then being issued by the organization or *plan* which is most nearly similar to, but not greater than, the terminated coverage. Any probationary or waiting period set forth in the conversion contract shall be considered as being met to the extent coverage was in force under the prior contract.

Subd. 3. This section applies to every health maintenance contract and every *specialized health maintenance plan* which is delivered, issued for delivery, renewed or amended on or after the effective date of this section.

Sec. 20. Minnesota Statutes 1978, Section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.] Subdivision 1. Every health maintenance organization or *specialized health maintenance plan* shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate his complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 2. The health maintenance organization or *specialized health maintenance plan* shall maintain a record of each written complaint filed with it for three years and the commissioner of health shall have access to the records.

Sec. 21. Minnesota Statutes 1978, Section 62D.12, is amended to read:

62D.12 [PROHIBITED PRACTICES.] Subdivision 1. No health maintenance organization, *specialized health maintenance plan*, or representative thereof may cause or knowingly permit the use of advertising or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive. Each health maintenance organization *and each specialized health maintenance plan* shall be subject to sections 72A.17 to 72A.321, relating to the regulation of trade practices, except (a) to the extent that the nature of a health maintenance organization or *specialized health maintenance plan* renders such sections clearly inappropriate and (b) that enforcement shall be by the commissioner of health and not by the commissioner of insurance. Every health maintenance organization *and every specialized health maintenance plan* shall be subject to sections 325.79 and 325.907.

Subd. 2. No health maintenance organization or *specialized health maintenance plan* may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served; (e) enrollee moving out of an eligible group; (f) failure to make copayments required by the health care plan; or (g) other reasons established in regulations promulgated by the commissioner of health. An enrollee shall be given 30 days notice of any cancellation or nonrenewal.

Subd. 3. No health maintenance organization or *specialized health maintenance plan* may use in its name, contracts, or literature any of the words "insurance", "casualty", "surety", "mutual", or any other words which are descriptive of the insurance, casualty or surety business or deceptively similar to the name or description of any insurance or surety corporation doing business in this state; provided, however, that when a health maintenance organization or *specialized health maintenance plan* has contracted with an insurance company for any coverage permitted by sections 62D.01 to ~~62D.29~~ 62D.30, it may so state.

Subd. 4. No health maintenance contract, *specialized health maintenance contract* or evidence of coverage shall provide for the reimbursement of an enrollee other than through a policy of insurance, except to refund payments made by or on behalf of an enrollee; or, with the prior approval of the commissioner of health, payments to enrollees for obligations incurred for non-elective emergency or out-of-area services received; or with prior approval, direct payments to providers for out-of-area, non-elective emergency or referral medical, hospital, or other health services rendered to enrollees.

Subd. 5. The providers under agreement with a health maintenance organization or *specialized health maintenance plan* to provide health care services and the health maintenance organization or *specialized health maintenance plan* shall not have recourse against enrollees for amounts above those specified in the evidence of coverage as the periodic prepayment, or copayment, for health care services.

Subd. 6. The rates charged by health maintenance organizations, *specialized health maintenance plans* and their representatives shall not discriminate except in accordance with accepted actuarial principles.

Subd. 7. No health maintenance organization or *specialized health maintenance plan* shall enroll more than 500,000 persons in the state of Minnesota. A violation of this subdivision shall be treated as a violation of the antitrust act, sections 325.8011 to 325.8028.

Subd. 8. No health maintenance organization or *specialized health maintenance plan* shall discriminate in enrollment policy against any person solely by virtue of status as a recipient of medical assistance or medicare.

Subd. 9. No *nonprofit* health maintenance organization or *specialized health maintenance plan* shall provide for the payment, whether directly or indirectly, of any part of its net earnings, to any person as a dividend or rebate, ~~provided, however, that~~ . Authorized expenses of a health maintenance organization or *specialized health maintenance plan* shall ~~may~~ include:

(a) cash rebates to enrollees, or to persons who have made payments on behalf of enrollees; or, when approved by the commissioner of health as provided in subdivision 4, direct payments to enrollees for obligations incurred for non-elective emergency or out-of-area services received; or, with prior approval, direct payments to providers for out-of-area, non-elective emergency or referral medical, hospital, or other health services rendered to enrollees;

(b) free or reduced cost health service to enrollees; or

(c) payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality care. ~~All net earnings shall be devoted to the nonprofit purposes of the health maintenance organization in providing comprehensive health care.~~ The commissioner of health shall, pursuant to sections 62D.01 to ~~62D.29~~ 62D.30, revoke the certificate of authority of any health maintenance organization or *specialized health maintenance plan* ~~in violation of that violates~~ this subdivision.

Subd. 10. No health maintenance contract, *specialized health maintenance contract* or evidence of coverage entered into, issued, amended, renewed or delivered on or after January 1, 1976 shall contain any provision offsetting, or in any other manner reducing, any benefit to an enrollee or other beneficiary by the amount of, or in any proportion to, any increase in disability benefits received or receivable under the federal Social Security Act, as amended subsequent to the date of commencement of such benefit.

Subd. 11. Any health maintenance organization which includes coverage of comprehensive dental services in its comprehensive health maintenance services shall not include the charge for the dental services in the same rate as the charge for other comprehensive health maintenance services. The rates for dental services

shall be computed, stated and bid separately. No employer shall be required to purchase dental services in combination with other comprehensive health services. An employer may purchase dental services separately.

Sec. 22. Minnesota Statutes 1978, Section 62D.13, is amended to read:

62D.13 [POWERS OF INSURERS AND NONPROFIT HEALTH SERVICE PLANS.] Notwithstanding any law to the contrary, an insurer or a hospital or medical service plan corporation may contract with a health maintenance organization or *specialized health maintenance plan* to provide insurance or similar protection against the cost of care provided through health maintenance organizations or *specialized health maintenance plans* and to provide coverage in the event of the failure of the health maintenance organization or *specialized health maintenance plan* to meet its obligations. The enrollees of a health maintenance organization or *specialized health maintenance plan* constitute a permissible group for group coverage under the insurance laws and the nonprofit health service plan corporation act. Under such contracts, the insurer or nonprofit health service plan corporation may make benefit payments to health maintenance organizations or *specialized health maintenance plans* for health care services rendered, or to be rendered, by providers pursuant to the health care plan. Any insurer, or nonprofit health service plan corporation, licensed to do business in this state, is authorized to provide the types of coverages described in section 62D.05, subdivision 3.

Sec. 23. Minnesota Statutes 1978, Section 62D.14, is amended to read:

62D.14 [EXAMINATIONS.] Subdivision 1. The commissioner of health may make an examination of the financial affairs of any health maintenance organization or *specialized health maintenance plan* and its contracts, agreements, or other arrangements with providers as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years.

Subd. 2. The commissioner of health may make an examination concerning the quality of health care services provided to enrollees by any health maintenance organization or *specialized health maintenance plan* and providers with whom such organization or *plan* has contracts, agreements, or other arrangements pursuant to its health care plan as often as the commissioner of health deems necessary for the protection of the interests of the people of this state but not less frequently than once every three years. Provided, that examinations of providers pursuant to this subdivision shall be limited to their dealings with the health maintenance organization plan or *specialized health maintenance plan* and its enrollees.

Subd. 3. In order to accomplish his duties under this section, the commissioner of health shall have the right to:

(a) Inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under such contract; and

(b) Audit and inspect any books and records of a health maintenance organization or *specialized health maintenance plan* which pertain to services performed and determinations of amounts payable under such contract.

Subd. 4. Any data or information pertaining to the diagnosis, treatment, or health of any enrollee, or any application obtained from any person, shall be confidential and shall not be disclosed to any person except (a) to the extent that it may be necessary to carry out the purposes of sections 62D.01 to ~~62D.29~~ 62D.30 ; (b) upon the express consent of the enrollee or applicant; (c) pursuant to statute or court order for the production of evidence or the discovery thereof; or (d) in the event of claim or litigation between such person and the provider or health maintenance organization or *specialized health maintenance plan* wherein such data or information is pertinent. A health maintenance organization or *specialized health maintenance plan* shall be entitled to claim any statutory privileges against such disclosure which the provider who furnished such information to the health maintenance organization or *specialized health maintenance plan* is entitled to claim.

Subd. 5. The commissioner of health shall have the power to administer oaths to and examine witnesses, and to issue subpoenas.

Subd. 6. Reasonable expenses of examinations under this section shall be assessed by the commissioner of health against the organization or *plan* being examined, and shall be remitted to the commissioner of health for deposit in the general fund of the state treasury.

Sec. 24. Minnesota Statutes 1978, Section 62D.15, is amended to read:

62D.15 [SUSPENSION OR REVOCATION OF CERTIFICATE OF AUTHORITY.] Subdivision 1. The commissioner of health may suspend or revoke any certificate of authority issued to a health maintenance organization or *specialized health maintenance plan* under sections 62D.01 to ~~62D.29~~ 62D.30 if he finds that:

(a) The health maintenance organization or *specialized health maintenance plan* is operating significantly in contravention of its basic organizational document, its health care plan, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62D.03, unless amendments to such submissions have been filed with and approved by the commissioner of health;

(b) The health maintenance organization or *specialized health maintenance plan* issues evidences of coverage which do not comply with the requirements of section 62D.07;

(c) The health maintenance organization or *specialized health maintenance plan* is unable to fulfill its obligations to furnish comprehensive health maintenance services or *specialized health maintenance services* as required under its health care plan;

(d) The health maintenance organization or *specialized health maintenance plan* is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(e) The health maintenance organization or *specialized health maintenance plan* has failed to implement a mechanism affording the enrollees an opportunity to participate in matters of policy and operation under section 62D.06;

(f) The health maintenance organization or *specialized health maintenance plan* has failed to implement the complaint system required by section 62D.11 in a manner designed to reasonably resolve valid complaints;

(g) The health maintenance organization or *specialized health maintenance plan*, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;

(h) The continued operation of the health maintenance organization or *specialized health maintenance plan* would be hazardous to its enrollees; or

(i) The health maintenance organization or *specialized health maintenance plan* has otherwise failed to substantially comply with sections 62D.01 to ~~62D.29~~ 62D.30 or has submitted false information in any report required hereunder.

Subd. 2. A certificate of authority shall be suspended or revoked only after compliance with the requirements of section 62D.16.

Subd. 3. When the certificate of authority of a health maintenance organization or *specialized health maintenance plan* is suspended, the health maintenance organization or *plan* shall not, during the period of such suspension, enroll any additional enrollees except newborn children or other newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

Subd. 4. When the certificate of authority of a health maintenance organization or *specialized health maintenance plan* is revoked, the organization or *plan* shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization or *plan*. It shall engage in no further advertising or solicitation whatsoever. The commissioner of health may, by written order, permit further operation of the organization or *plan* as he may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage.

Sec. 25. Minnesota Statutes 1978, Section 62D.16, is amended to read:

62D.16 [DENIAL, SUSPENSION, AND REVOCATION; ADMINISTRATIVE PROCEDURES.] Subdivision 1. When the

commissioner of health has cause to believe that grounds for the denial, suspension or revocation of a certificate of authority exists, he shall notify the health maintenance organization or *specialized health maintenance organization* in writing specifically stating the grounds for denial, suspension or revocation and fixing a time of at least 20 days thereafter for a hearing on the matter, except in summary proceedings as provided in section 62D.18.

Subd. 2. After such hearing, or upon the failure of the health maintenance organization or *specialized health maintenance organization* to appear at the hearing, the commissioner of health shall take action as is deemed advisable and shall issue written findings which shall be mailed to the health maintenance organization or *specialized health maintenance organization*. The action of the commissioner of health shall be subject to judicial review pursuant to chapter 15.

Sec. 26. Minnesota Statutes 1978, Section 62D.17, Subdivision 1, is amended to read:

62D.17 [PENALTIES AND ENFORCEMENT.] Subdivision 1. The commissioner of health may, in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount not less than \$100 nor more than \$10,000. Reasonable notice in writing to the health maintenance organization or *specialized health maintenance plan* shall be given of the intent to levy the penalty and the reasons therefor. and the health maintenance organization or *specialized health maintenance plan* shall have a reasonable time within which to remedy the defect in its operations which gave rise to the penalty citation, or have an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 15.

Sec. 27. Minnesota Statutes 1978, Section 62D.17, Subdivision 3, is amended to read:

Subd. 3. (a) If the commissioner of health shall, for any reason, ~~have~~ *has* cause to believe that any violation of sections 62D.01 to ~~62D.29~~ 62D.30 has occurred or is threatened, the commissioner of health may, before commencing action under sections 62D.15 and 62D.16, and subdivision 1, give notice to the health maintenance organization or *specialized health maintenance plan* and to the representatives, or other persons who appear to be involved in such suspected violation, to arrange a voluntary conference with the alleged violators or their authorized representatives for the purpose of attempting to ascertain the facts relating to such suspected violation and, in the event it appears that any violation has occurred or is threatened, to arrive at an adequate and effective means of correcting or preventing such violation.

(b) Proceedings under this subdivision shall not be governed by any formal procedural requirements, and may be conducted in such manner as the commissioner of health may deem appropriate under the circumstances.

Sec. 28. Minnesota Statutes 1978, Section 62D.17, Subdivision 4, is amended to read:

Subd. 4. (a) The commissioner of health may issue an order directing a health maintenance organization, *specialized health maintenance plan*, or a representative of a health maintenance organization or *specialized health maintenance plan* to cease and desist from engaging in any act or practice in violation of the provisions of sections 62D.01 to ~~62D.29~~ 62D.30.

(b) Within 20 days after service of the order to cease and desist, the respondent may request a hearing on the question of whether acts or practices in violation of sections 62D.01 to ~~62D.29~~ 62D.30 have occurred. Such hearings shall be subject to judicial review as provided by chapter 15.

Sec. 29. Minnesota Statutes 1978, Section 62D.18, is amended to read:

62D.18 [REHABILITATION, LIQUIDATION, OR CONSERVATION OF HEALTH MAINTENANCE ORGANIZATION.] The commissioner of insurance may independently, or shall at the request of the commissioner of health, order the rehabilitation, liquidation or conservation of health maintenance organizations or *specialized health maintenance plans*. The rehabilitation, liquidation or conservation of a health maintenance organization or *specialized health maintenance plan* shall be deemed to be the rehabilitation, liquidation or conservation of an insurance company and shall be conducted under the supervision of the commissioner of insurance and pursuant to chapter 60B, except to the extent that the nature of health maintenance organizations or *specialized health maintenance plans* render such law clearly inappropriate.

Sec. 30. Minnesota Statutes 1978, Section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.] No health maintenance organization or *specialized health maintenance plan* shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of insurance shall, pursuant to the administrative procedures act, promulgate rules to implement and enforce this section.

Sec. 31. Minnesota Statutes 1978, Section 62D.20, is amended to read:

62D.20 [RULES.] *Subdivision 1.* The commissioner of health may, pursuant to chapter 15, promulgate such reasonable rules and regulations as are necessary or proper to carry out the provisions of sections 62D.01 to ~~62D.29~~ 62D.30. Included among such regulations shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and for provision of *comprehensive specialized health maintenance services*, as defined in section 62D.02, subdivision 12, and reasonable exclusions therefrom.

*Subd. 2.* The rules shall provide three levels of qualified *comprehensive health maintenance services* which are actuarially

*equivalent to the three types of qualified plans for accident and health insurance described in section 62E.06. They shall allow reasonable substitution of actuarially equivalent benefits subject to the approval of the evidence of coverage by the commissioner. The commissioner of insurance shall assist the commissioner of health in determining actuarial equivalency of benefits. All evidences of coverage shall clearly state the level of coverage for qualified contracts.*

Sec. 32. Minnesota Statutes 1978, Section 62D.21, is amended to read:

62D.21 [FEES.] Every health maintenance organization *and specialized health maintenance plan* subject to sections 62D.01 to ~~62D.29~~ 62D.30 shall pay to the commissioner of health fees as prescribed by the commissioner of health pursuant to section 144.122 for the following:

- (a) Filing an application for a certificate of authority,
- (b) Filing an amendment to a certificate of authority,
- (c) Filing each annual report, and
- (d) Other filings, as specified by regulation.

Sec. 33. Minnesota Statutes 1978, Section 62D.22, Subdivision 2, is amended to read:

Subd. 2. Solicitation of enrollees by a health maintenance organization *or specialized health maintenance plan* granted a certificate of authority, or its representatives, *or by a group of health care providers serving an enrolled group or groups of persons who have prospectively contracted for delivery of defined health care services* shall not be construed to violate any provision of law relating to solicitation or advertising by health professionals.

Sec. 34. Minnesota Statutes 1978, Section 62D.22, Subdivision 3, is amended to read:

Subd. 3. Any health maintenance organization *or specialized health maintenance plan* authorized under sections 62D.01 to ~~62D.29~~ 62D.30 *or group of health care providers serving an enrolled group or groups of persons who have prospectively contracted for delivery of defined health care services, because of the form of the providers' association with each other, shall not be deemed to be practicing corporate practice of a healing art.*

Sec. 35. Minnesota Statutes 1978, Section 62D.22, Subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in sections 62D.01 to ~~62D.29~~ 62D.30, provisions of the insurance laws and provisions of nonprofit health service plan corporation laws shall not be applicable to any health maintenance organization *or specialized health maintenance plan* granted a certificate of authority under sections 62D.01 to ~~62D.29~~ 62D.30.

Sec. 36. Minnesota Statutes 1978, Section 62D.22, Subdivision 6, is amended to read:

Subd. 6. Every health maintenance organization *and every specialized health maintenance plan* shall be subject to the certificate of need act, sections ~~145.71 to 145.83~~ *on the same basis as other persons 145.832 to 145.845, to the extent that federal law and regulations require.*

Sec. 37. Minnesota Statutes, 1979 Supplement, Section 62D.22, Subdivision 7, is amended to read:

Subd. 7. A licensed health maintenance organization *or a licensed specialized health maintenance plan* shall be deemed to be a prepaid group practice plan for the purposes of chapter 43 and shall be allowed to participate as a carrier for state employees subject to any negotiated labor agreement and reasonable restrictions applied to all carriers.

Sec. 38. Minnesota Statutes 1978, Section 62D.22, Subdivision 8, is amended to read:

Subd. 8. All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization *or a specialized health maintenance plan*, whether employees or under contract to the health maintenance organization *or specialized health maintenance plan*, shall be subject to the provisions of section 60A.17, concerning the licensure of health insurance agents, solicitors, and brokers, and lawful regulations thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations *or specialized health maintenance plans* shall be exempt from the provisions of section 60A.17. Section 60A.17, subdivision 2, clause (2) shall not apply except as to provide for an examination of an applicant in his knowledge concerning the operations and benefits of health maintenance organizations *or specialized health maintenance plans* and related insurance matters.

Sec. 39. Minnesota Statutes 1978, Section 62D.22, is amended by adding a subdivision to read:

*Subd. 10. The provisions of section 144.701, subdivision 1, shall not prevent hospitals from giving rate discounts to health maintenance organizations or specialized health maintenance plans.*

Sec. 40. Minnesota Statutes 1978, Section 62D.25, is amended to read:

62D.25 [REPORT TO THE LEGISLATURE.] The commissioner of health shall *annually* report to the legislature ~~on or before April 1, 1975,~~ as to the following:

(1) The number of applications for certificates of authority which have been filed since ~~July 1, 1973~~ *the last report* ;

(2) The number of certificates of authority granted pursuant to sections 62D.01 to ~~62D.29~~ *62D.30* ;

(3) The number of current enrollees in health maintenance organizations *and the number of current enrollees in specialized health maintenance plans* in the state of Minnesota;

(4) The average annual prepayment cost per enrollee in the state of Minnesota;

(5) The conclusions of the commissioner of health as to the effect *effects* of health maintenance organizations and of *specialized health maintenance plans* on the quality of health care services provided to the people of this state;

(6) The conclusions of the commissioner of health as to the effects of health maintenance organizations and of *specialized health maintenance plans* on health care costs and whether any cost savings are being passed on to enrollees in any form; and

(7) His recommendations as to any changes in sections 62D.01 to ~~62D.29~~ 62D.30 .

Sec. 41. Minnesota Statutes 1978, Section 62D.28, Subdivision 2, is amended to read:

Subd. 2. The area for planning and the proposed service area of the health maintenance organization must have insufficient availability of primary health care resources or a substantial population of medically unserved or underserved individuals, as determined by the commissioner of health. An ~~areawide comprehensive health planning agency~~ *A health systems agency* , as defined in section ~~145.72~~ 145.833, subdivision 7 , shall provide technical assistance to the commissioner of health in identifying areas with demographic and geographic health needs.

Sec. 42. Minnesota Statutes 1978, Section 62D.28, Subdivision 3, is amended to read:

Subd. 3. The planning organization seeking financial assistance must be a Minnesota nonprofit corporation having a board of directors with a majority composed of health care consumers from the proposed service area, but with additional representation of existing health interests in the area including health providers.

The organization shall cooperate with any ~~area wide comprehensive health planning agency~~ *health systems agency* established pursuant to ~~section 145.72, subdivision 5~~ *the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq.* , and with other health care providers in the proposed area to be served by the organization in programs or studies for:

(a) Determining and assessing the ongoing health needs of the community, formulating a program to meet such needs, including, but not limited to, an identification of private and public funds which may be available for this purpose;

(b) Coordinating existing health activities where appropriate, and establishing better utilization of existing health facilities, programs, and services, with particular emphasis on health manpower training projects in the area including those for local community residents;

(c) Laying the foundation for a community health maintenance organization; and

(d) Promoting development and expansion of preventive and ambulatory, outpatient services with the objective of replacing crisis medicine with an integrated, comprehensive system of health care.

Sec. 43. [TEMPORARY PROVISION.] *The commissioner of health shall review all existing rules regulating health maintenance organizations and repeal all of those which inhibit competition between health maintenance organizations and insurers and which are not needed to protect the public. In exercising the duty set forth in this section and in section 8, the commissioner may, until December 31, 1980, exercise temporary rule making powers pursuant to chapter 15.*

Sec. 44. *Rules governing health maintenance organizations on the effective date of Article I are effective until rules implementing the provisions of Article I are promulgated.*

Sec. 45. Minnesota Statutes 1978, Section 62E.02, Subdivision 9, is amended to read:

Subd. 9. "Plan of health coverage" means any plan or combination of plans of coverage, including combinations of self insurance, individual accident and health insurance policies, group accident and health insurance policies, coverage under a nonprofit health service plan, or coverage under a health maintenance organization subscriber contract or specialized health maintenance plan subscriber contract.

Sec. 46. Minnesota Statutes 1978, Section 62E.03, Subdivision 1, is amended to read:

62E.03 [DUTIES OF THE EMPLOYER.] Subdivision 1. Each employer who provides or makes available to his employees a plan of health coverage shall make available to his employees employed in this state a plan or combination of plans which have been certified by the commissioner as a number two qualified plan. If the plan of health coverage does not meet the requirements of section 62E.06 for a number two qualified plan, the employer shall make available a supplemental plan of health benefits which, when combined with the existing plan of health benefits, constitutes a number two coverage plan. The plan or combinations of plans may be financed from funds contributed solely by the employer or solely by the employees or any combination thereof. The plans may consist of self insurance, health maintenance contracts, specialized health maintenance contracts, group policies or individual policies or any combination thereof.

Sec. 47. Minnesota Statutes 1978, Section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.] Every program of self insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization or specialized health maintenance plan written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified

plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. The person may exercise his right to conversion within 30 days of leaving the group or within 30 days following his receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self insurer or health maintenance organization cancelling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization or *specialized health maintenance plan* shall, upon request, provide the insurer or health maintenance organization or *specialized health maintenance plan* a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue his coverage under the same or a different contract without the addition of underwriting restrictions until he would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization or *specialized health maintenance plan* shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 48. Minnesota Statutes 1978, Section 72C.03, is amended to read:

72C.03 [SCOPE.] Except as otherwise specifically provided, sections 72C.01 to 72C.13 shall apply to all policies or contracts of direct insurance, issued by persons authorized at any time to transact insurance in this state and including nonprofit health service plan corporations under chapter 62C, health maintenance organizations, and *specialized health maintenance plans* under chapter 62D, assessment benefit associations under chapter 63, and fraternal beneficiary associations under chapter 64A. Sections 72C.01 to 72C.13 shall not apply to insurance as described in section 60A.20, subdivision 17, clauses (2) and (3), and the master contract for any policy of group insurance when the group consists of ten or more persons. Sections 72C.01 to 72C.13 shall not apply to policies or contracts issued prior to July 1, 1980 under which there is no unilateral right of the insurer to cancel, non-renew, amend or change in any way, unless the policy or contract is amended or changed by mutual agreement of the parties. Sections 72C.01 to 72C.13 shall not apply to a new policy or contract written in language other than English.

Sec. 49. Minnesota Statutes 1978, Section 144.691, Subdivision 4, is amended to read:

Subd. 4. [REPORTS.] Each hospital and outpatient surgery center, and every health maintenance organization and every specialized health maintenance plan required under section 62D.11 to implement a complaint system, shall at least annually submit to the state commissioner of health a report on the operation of its complaint or grievance mechanism. The frequency, form, and content of each report shall be as prescribed by rule of the state commissioner of health. Data relating to patient records collected by the state commissioner of health pursuant to this section shall be summary data within the meaning of section 15.162, subdivision 9. The state commissioner of health shall collect, analyze and evaluate the data submitted by the hospitals, health maintenance organizations, specialized health maintenance plans, and outpatient surgery centers; and shall periodically publish reports and studies designed to improve patient complaint and grievance mechanisms.

Sec. 50. Minnesota Statutes 1978, Section 144.692, is amended to read:

144.692 [IN-SERVICE TRAINING.] The state commissioner of health shall study and publish recommendations for in-service personnel training programs designed to reduce the incidence of malpractice claims and suits against hospitals, outpatient surgery centers and , health maintenance organizations and specialized health maintenance plans regulated under chapter 62D.

Sec. 51. Minnesota Statutes 1978, Section 144.693, Subdivision 1, is amended to read:

144.693 [MEDICAL MALPRACTICE CLAIMS; REPORTS.] Subdivision 1. On or before September 1, 1976, and on or before March 1 and September 1 of each year thereafter, each insurer providing professional liability insurance to one or more hospitals, outpatient surgery centers, or health maintenance organizations, or specialized health maintenance plans shall submit to the state commissioner of health a report listing by facility or organization all claims which have been closed by or filed with the insurer during the period ending December 31 of the previous year or June 30 of the current year. The report shall contain, but not be limited to, the following information:

(a) The total number of claims made against each facility or organization which were filed or closed during the reporting period;

(b) The date each new claim was filed with the insurer;

(c) The allegations contained in each claim filed during the reporting period;

(d) The disposition and closing date of each claim closed during the reporting period;

(e) The dollar amount of the award or settlement for each claim closed during the reporting period; and

(f) Any other information the commissioner of health may, by rule, require.

Any hospital, outpatient surgery center, ~~or~~ health maintenance organization, or *specialized health maintenance plan* which is self insured shall be considered to be an insurer for the purposes of this section and shall comply with the reporting provisions of this section.

A report from an insurer submitted pursuant to this section is private data, as defined in section 15.162, subdivision 5a, accessible to the facility or organization which is the subject of the data, and to its authorized agents. Any data relating to patient records which is reported to the state commissioner of health pursuant to this section shall be reported in the form of summary data, as defined in section 15.162, subdivision 9.

Sec. 52. Minnesota Statutes 1978, Section 144.693, Subdivision 2, is amended to read:

Subd. 2. The state commissioner of health shall collect and review the data reported pursuant to subdivision 1. On December 1, 1976, and on January 2 of each year thereafter, the state commissioner of health shall report to the legislature his findings related to the incidence and size of malpractice claims against hospitals, outpatient surgery centers, and health maintenance organizations, and *specialized health maintenance plans* and shall make any appropriate recommendations to reduce the incidence and size of the claims. Data published by the state commissioner of health pursuant to this subdivision with respect to malpractice claims information shall be summary data within the meaning of section 15.162, subdivision 9.

Sec. 53. Minnesota Statutes 1978, Section 145.61, Subdivision 5, is amended to read:

Subd. 5. "Review organization" means a committee whose membership is limited to professionals and administrative staff except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in Minnesota Statutes, Chapter 62D, by a nonprofit health service plan corporation or *specialized health maintenance plan* as defined in Minnesota Statutes, Chapter 62C or by a professional standards review organization established pursuant to 42 U.S.C., Section 1320c-1 et seq. to gather and review information relating to the care and treatment of patients for the purposes of:

(a) Evaluating and improving the quality of health care rendered in the area or medical institution;

(b) Reducing morbidity or mortality;

(c) Obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) Developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) Developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) Reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations or *specialized health maintenance plans* ;

(g) Acting as a professional standards review organization pursuant to 42 U.S.C., Section 1320c-1 et seq.;

(h) Determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked; or

(i) Reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or , health maintenance organizations or *specialized health maintenance plans* and their insureds or enrollees;

(2) professional licensing boards acting under their powers including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or , health maintenance organizations or *specialized health maintenance plans* concerning a charge or fee for health care services provided to an insured or enrollee; or

(5) professionals or their patients and the federal, state, or local government, or agencies thereof.

Sec. 54. Minnesota Statutes 1978, Section 256B.59, Subdivision 1, is amended to read:

256B.59 [SERVICE CONTRACTS; REVIEW.] Subdivision 1. [SERVICE CONTRACTS.] For each pilot program, the commissioner shall contract for the provision and financing of dental services under the terms set forth in sections 256B.56 to 256B.63. The commissioner may contract (a) with an insurance company regulated under chapter 62A, or a nonprofit health service plan corporation regulated under chapter 62C, or a health maintenance organization or a *specialized health maintenance plan that offers comprehensive dental services* established pursuant to chapter 62D; or (b) directly with one or more qualified providers of dental services. The party or parties with whom the commissioner contracts under clause (a) shall be known as the dental carriers. All participants in the pilot programs shall have a free choice of vendor for the delivery of dental services.

Sec. 55. Minnesota Statutes 1978, Section 256B.60, Subdivision 2, is amended to read:

Subd. 2. The full cost of premiums for participation in a pilot

program shall be paid by the commissioner for individuals who live in an area to be serviced by a pilot program and who;

(a) Are not eligible to receive dental services or reimbursement for dental services under any other program authorized by law, or who do not have coverage for dental services from an insurance company, a nonprofit service plan corporation, a *specialized health maintenance plan*, or a health maintenance organization; and

(b) Are retired and aged 62 or over; and

(c) Have an annual net income of less than \$3,900 if single, or \$4,875 if married.

## ARTICLE II

Section 1. Minnesota Statutes 1978, Section 62A.149, Subdivision 1, is amended to read:

62A.149 [BENEFITS FOR ALCOHOLICS AND DRUG DEPENDENTS.] Subdivision 1. The provisions of this section shall apply to all group policies of accident and health insurance and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, and to a plan or policy that is individually underwritten or provided for a specific individual and the members of his family as a nongroup policy unless the individual elects in writing to refuse benefits under this subdivision in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan, when the policies or subscriber contracts are issued or delivered in Minnesota or provide benefits to Minnesota residents enrolled thereunder. *This section shall not apply to policies designated primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis or policies that provide accident only coverage.*

Every insurance policy or subscriber contract included within the provisions of this subdivision, upon issuance or renewal, shall provide for payment of benefits for the treatment of alcoholism, chemical dependency or drug addiction to any Minnesota resident entitled to coverage thereunder on the same basis as coverage for other benefits when treatment is rendered in:

(1) a licensed hospital,

(2) a residential treatment program as licensed by the state of Minnesota pursuant to diagnosis or recommendation by a doctor of medicine,

(3) a non-residential treatment program approved or licensed by the state of Minnesota.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 62E.06, Subdivision 1, is amended to read:

62E.06 [MINIMUM BENEFITS OF QUALIFIED PLAN.] Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A

and 62C, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

~~The \$3,000 limitation on total annual out-of-pocket expenses and the \$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.~~

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

- (1) Hospital services;
- (2) Professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than outpatient mental or dental, which are rendered by a physician or at his direction;
- (3) Drugs requiring a physician's prescription;
- (4) Services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under medicare;
- (5) Services of a home health agency if the services would qualify as reimbursable services under medicare;
- (6) Use of radium or other radioactive materials;
- (7) Oxygen;
- (8) Anesthetics;
- (9) Prostheses other than dental;
- (10) Rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;
- (11) Diagnostic X-rays and laboratory tests;
- (12) Oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;
- (13) Services of a physical therapist; and
- (14) Transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) Any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, medicare or any other governmental program except as otherwise provided by law;

(2) Any charge for treatment for cosmetic purposes other than surgery for the repair of an injury or birth defect;

(3) Care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under medicare;

(4) Any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semi-private room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semi-private rooms, its most common semi-private room charge shall be considered to be 90 percent of its lowest private room charge;

(5) That part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) Any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for the following services subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations:

(1) Well baby care, effective July 1, 1980;

~~(2) Physicians' services for routine check-ups and annual physicals when prescribed by a physician, effective July 1, 1982;~~

~~(3) Multiphasic screening and other diagnostic testing, effective July 1, 1982. The commissioner by rule shall prescribe reasonable limits on the reimbursement required for services listed in this clause.~~

(e) Effective July 1, 1979, the minimum benefits of qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

## ARTICLE III

**Section 1. [FINDINGS.]** *The legislature finds that health care costs are an increasingly heavy burden on families and individuals and upon employers and governmental units which pay for health care benefits to their employees, dependents of their employees, and their citizens. The legislature further finds that increased competition, public awareness of health care costs, cost sharing, utilization of alternative delivery systems, and the termination of unnecessary regulation can contribute to a reduction in the escalation of health care costs.*

**Sec. 2.** Minnesota Statutes 1978, Section 144.703, is amended by adding a subdivision to read:

*Subd. 3. In the event that the United States government enacts a hospital rate review or rate regulation program, the commissioner may seek an exemption from the federal law.*

**Sec. 3.** Minnesota Statutes 1978, Section 144.703, is amended by adding a subdivision to read:

*Subd. 4. The commissioner of health shall annually prepare a comparative list of not less than 25 nor more than 75 illnesses, injuries or conditions. The list shall specify, according to hospital, the respective price or charge of each hospital for treatment by surgical or medical means of each of the illnesses, injuries, or conditions. All hospitals in the state shall cooperate with the commissioner in preparing the list, post the list in their hospital lobbies, and make copies of the list available upon request to patients or prospective patients. The commissioner shall publicize the availability of the lists, make copies available to the public and health care providers upon request, and take other appropriate actions to increase public and provider awareness and use of the list.*

**Sec. 4.** Minnesota Statutes, 1979 Supplement, Section 145.837, Subdivision 1, is amended to read:

**145.837 [REVIEW OF APPLICATIONS.]** Subdivision 1. **[CRITERIA FOR REVIEW.]** The commissioner of health shall, after consulting with the state planning agency and the health systems agencies, promulgate rules governing the health systems agencies in their determinations whether certificates of need are required and in their review of applications for certificates of need pursuant to sections 145.832 to 145.845. The rules shall provide for the consideration of at least the following criteria:

(a) The relationship of the proposed construction or modification to the applicable health system plan and annual implementation plan;

(b) The relationship of the construction or modification being proposed to the long range development plan of the health care facility requesting the certificate of need;

(c) The need for health care facilities and services, excluding home health services, in the area and the requirements of the population of the area;

(d) The availability and adequacy of other less costly or more effective health services in the area which may serve as alternates or substitutes for the whole or any part of the service to be provided by the proposed construction or modification;

(e) The relationship of the proposed construction or modification to the existing health care system of the area, including the possible economies and improvement in service that may be derived from operation of joint, cooperative, or shared health care resources;

(f) The availability of resources, including health care providers, management personnel, and funds for both capital and operational needs for the provision of the services proposed to be provided and the availability of alternative uses of such resources for the provision of other health services;

(g) The immediate and long-term financial feasibility of the proposed construction or modification, as well as its probable impact on the operational costs and charges of the health care facility;

(h) The relationship, including the organizational relationship, of the health services proposed to be provided to ancillary or support services;

(i) The special needs and circumstances of medical teaching, research facilities and referral facilities which provide a substantial portion of their services or resources, or both, to individuals outside of the health service area;

(j) The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages;

(k) In the case of a construction project: the costs and methods of the proposed construction, including the costs and methods of energy provision and the probable impact of the construction project reviewed on the costs of providing health services by the person proposing the project;

(l) The special needs of hospitals to convert excess hospital beds to long-term care or other alternate functions, but only if the hospitals terminate all acute care services; and

(m) The special requirements of health maintenance organizations to meet the health care needs of their present and future subscribers; and

(n) *The effect of the proposed construction or modification on competition among health care providers and whether the proposed construction or modification will support development of competitive delivery systems.*

Sec. 5. Minnesota Statutes 1978, Chapter 145, is amended by adding a section to read:

[145.846] [FEDERAL WAIVER.] *In the event that the United States government requires states to include health maintenance*

*organizations, specialized health maintenance plans, or home health agencies under their certificate of need laws, the commissioner may seek an exemption from the federal requirements.*

Sec. 6. Minnesota Statutes 1978, Chapter 256B, is amended by adding a section to read:

[256B.066] *The commissioner of public welfare, in conjunction with the commissioner of health, shall seek to promote or establish demonstration projects in accordance with section 62D.30 to allow health maintenance organizations or other health care delivery systems to extend coverage to medical assistance recipients and other low income populations. The commissioner of public welfare may seek federal funding, shall seek necessary waivers from federal laws to conduct the projects, and shall monitor and report the progress and outcome of the projects.*

#### ARTICLE IV

Section 1. [REPEALER.] *Minnesota Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2, are repealed.*

Sec. 2. [EFFECTIVE DATE.] *Article II is effective August 1, 1980 and applies only to policies, plans and contracts subject to chapters 62A, 62C and 62D issued or renewed on or after that date. Articles I, III and IV are effective the day following final enactment."*

Amend the title as follows:

Page 1, delete lines 2 to 11 and insert:

*"relating to health; promoting health maintenance organizations by eliminating certain regulations; allowing development and operation of specialized health maintenance plans; promoting competition in health care delivery; requiring certain optional and mandatory benefits under certain health care plans; providing increased flexibility in benefit levels; modifying certain benefit requirements under the Minnesota Comprehensive Health Insurance Act of 1976; prescribing certain duties for the commissioners of health, public welfare, and insurance; amending Minnesota Statutes 1978, Sections 62A.149, Subdivision 1; 62A.16; 62A.17, Subdivision 4; 62D.01, Subdivision 2; 62D.02, Subdivisions 4, 5, and 6, and by adding subdivisions; 62D.03; 62D.04, Subdivisions 1 and 3; 62D.05; 62D.06, Subdivision 1; 62D.07; 62D.08; 62D.10, Subdivisions 1 and 3; 62D.101; 62D.11; 62D.12; 62D.13; 62D.14; 62D.15; 62D.16; 62D.17, Subdivisions 1, 3, and 4; 62D.18; 62D.19; 62D.20; 62D.21; 62D.22, Subdivisions 2, 3, 5, 6, and 8, and by adding a subdivision; 62D.25; 62D.28, Subdivisions 2 and 3; 62E.02, Subdivision 9; 62E.03, Subdivision 1; 62E.16; 72C.03; 144.691, Subdivision 4; 144.692; 144.693, Subdivisions 1 and 2; 144.703, by adding subdivisions; 145.61, Subdivision 5; 256B.59, Subdivision 1; 256B.60, Subdivision 2; Chapters 145, by adding a section; and 256B, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 62D.22, Subdivision 7; 62E.06, Subdivision 1; and 145.837, Subdivision 1; repealing Minnesota*

Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2.”

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1744: A bill for an act relating to recreation; requiring minimum insurance and a certificate of inspection for certain ski lifts, amusement rides, and amusement attractions before their operation; authorizing the commissioner of labor and industry to make the inspections and to prescribe safety rules; authorizing the commissioner to delegate inspection authority to other agencies or political subdivisions; establishing an advisory board; requiring disconnection of hazardous lifts or rides and reporting of serious injuries; establishing penalties; appropriating money.

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

Page 1, line 25, after “to” insert “skiing or”

Page 2, line 10, delete “and Ski”

Page 2, lines 10 and 11, delete “Board” and insert “Council”

Page 2, line 11, delete “Lift”

Page 3, line 21, delete “SKI LIFTS,”

Page 3, line 24, delete “or a ski lift”

Page 4, line 2, delete “and ski lifts”

Page 4, line 31, after the period, insert “If the commissioner refuses to delegate his power to a political subdivision pursuant to this subdivision, the political subdivision shall have the right to appeal the commissioner’s decision pursuant to the contested case provisions of chapter 15.”

Page 5, line 6, delete “AND SKI LIFT”

Page 5, line 7, delete “BOARD” and insert “COUNCIL”

Page 5, line 7, delete “and Ski Lift”

Page 5, line 8, before “is” delete “Board” and insert “Council” and after “The” delete “board” and insert “council”

Page 5, line 8, delete “ten” and insert “11”

Page 5, line 9, after “member” insert “shall be a representative of an independent testing company who shall serve as chairman, one shall be a structural engineer, one”

Page 5, delete line 14

Page 5, line 15, delete “operators” and insert “engineer”

Page 5, line 17, delete “board” and insert “council”

Page 5, delete lines 19 to 33 and insert "term of four years. Appointments, filling of vacancies, compensation and related matters shall be made pursuant to section 15.059."

Page 6, delete lines 1 to 3

Page 6, line 7, delete "and ski lifts"

Page 6, line 8, delete "and ski"

Page 6, line 9, delete "lifts"

Page 6, line 14, delete "and ski lifts"

Page 6, after line 14, insert:

"The initial rules may be adopted pursuant to the temporary rulemaking provisions of chapter 15 but shall be submitted to the council for review pursuant to subdivision 2 prior to their adoption."

Page 6, line 15, after "rules" insert "and any amendments to them"

Page 6, line 16, delete "board" and insert "council"

Page 6, line 18, delete "a ski lift,"

Page 6, line 29, delete "a"

Page 6, line 30, delete "Ski lift" and insert "An"

Page 6, line 31, after "(2)" insert "A"

Page 6, line 33, after "(3)" insert "A" and delete "ski lift,"

Page 7, line 3, delete "ski lift,"

Page 7, line 11, after the period, insert "The notification shall include the projected final time for the completion of the set-up of the amusement ride. If the commissioner has not commenced inspection of the amusement ride within four hours after the projected final time for the completion of the set-up, the owner or lessee may proceed to operate the amusement ride without inspection unless the delay was caused by the owner or lessee."

Page 7, line 13, delete "a ski lift, or"

Page 7, line 17, delete the comma and insert "or"

Page 7, line 17, delete "or lift"

Page 7, lines 22 and 31, delete "ski lift,"

Page 8, after line 2, insert:

"Subd. 4. The commissioner shall annually consult with the advisory council as to inspection standards and procedures."

Page 8, lines 3 and 4, delete "OR LIFTS"

Page 8, line 4, delete "or ski"

Page 8, line 5, delete "lift"

Page 8, line 7, delete "or lift"

Page 8, lines 9 and 10, delete "or ski lift"

Page 8, line 13, delete "or lift"

Page 8, line 20, delete "a ski"

Page 8, line 21, delete "lift or of"

Page 8, line 25, delete "lift,"

Page 8, line 32, delete "a ski lift or"

Page 9, line 4, delete "the lift or"

Page 9, line 6, delete "a ski lift or"

Page 9, lines 7 and 8, delete "lift or"

Page 9, line 23, delete "a ski"

Page 9, line 24, delete "lift, or"

Page 10, line 6, delete "ski lifts,"

Page 10, line 21, before "This" insert "Section 2 is effective upon the adoption of temporary rules pursuant to section 5. The remaining provisions of"

Page 10, line 21, delete "is" and insert "are"

Amend the title as follows:

Page 1, line 11, delete "board" and insert "council"

Page 1, line 11, delete "lifts"

Page 1, line 12, delete "or"

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

#### SECOND READING OF SENATE BILLS

S. F. No. 2045 was read the second time.

S. F. Nos. 1695, 1332, 1698, 1964, 2245, 2234, 1654, 2083, 2071, 1803, 2146, 336, 2059, 2119, 2195, 2156, 2190, 1763, 1794, 2134, 802, 1636, 1601, 1430, 2166 and 1325 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. No. 924 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Davies moved that the name of Mr. Merriam be added as co-author to S. F. No. 251. The motion prevailed.

Mr. Knutson moved that his name be stricken as chief author, added as co-author and the name of Mr. Peterson be added as chief author to S. F. No. 1690. The motion prevailed.

Mr. Benedict moved that his name be stricken as chief author, added as co-author and the name of Mr. Solon be added as chief author to S. F. No. 1916. The motion prevailed.

Mr. Keefe, S. moved that the name of Mr. Sikorski be added as co-author to S. F. No. 2003. The motion prevailed.

Mr. Stern moved that the name of Mr. Vega be added as co-author to S. F. No. 2054. The motion prevailed.

Mr. Sikorski moved that the names of Messrs. Coleman; Keefe, J.; McCutcheon and Schaaf be added as co-authors to S. F. No. 2149. The motion prevailed.

Mr. Olhoff moved that the name of Mr. Sikorski be added as co-author to S. F. No. 2182. The motion prevailed.

Mr. Nichols moved that the name of Mr. Strand be added as co-author to S. F. No. 2276. The motion prevailed.

Mr. Anderson moved that the name of Mr. Bernhagen be added as co-author to S. F. No. 2305. The motion prevailed.

#### CALENDAR

S. F. No. 1573: A bill for an act relating to employment; prohibiting cities from establishing residency requirements as a condition of employment.

With the unanimous consent of the Senate, Mr. Hughes moved to amend S. F. No. 1573 as follows:

Page 1, line 13, after the period insert "For the purposes of this section, elected municipal officials shall not be considered to be employed by the city."

The motion prevailed. So the amendment was adopted.

S. F. No. 1573 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Keefe, J.	Nelson	Sikorski
Ashbach	Davies	Knaak	Olhoff	Stokowski
Bang	Dunn	Laufenburger	Olson	Stumpf
Barrette	Gunderson	Luther	Purfeerst	Ulland, J.
Benedict	Humphrey	Merriam	Sieloff	

Those who voted in the negative were:

Bernhagen	Hughes	Lessard	Renneke	Strand
Brataas	Jensen	McCutcheon	Rued	Ueland, A.
Coleman	Johnson	Menning	Schmitz	Vega
Dieterich	Keefe, S.	Moe	Setzepfandt	Wegener
Engler	Kirchner	Nichols	Sillers	Willet
Frederick	Kleinbaum	Omann	Solon	
Garty	Knoll	Penny	Spear	
Hanson	Knutson	Peterson	Stern	

So the bill, as amended, failed to pass.

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

## MOTIONS AND RESOLUTIONS

### SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to take up the Calendar and Consent Calendar and waive the lie-over requirement. The motion prevailed.

S. F. No. 1674: A bill for an act relating to labor; exempting seamen from the fair labor standards act; amending Minnesota Statutes, 1979 Supplement, Section 177.23, Subdivision 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Kleinbaum	Olhoff	Sillers
Ashbach	Frederick	Knaak	Olson	Solon
Bang	Garty	Knoll	Omann	Spear
Barrette	Gunderson	Knutson	Penny	Stern
Benedict	Hanson	Laufenburger	Peterson	Stokowski
Bernhagen	Hughes	Lessard	Purfeerst	Strand
Brataas	Humphrey	Luther	Renneke	Stumpf
Chmielewski	Jensen	Menning	Rued	Ueland, A.
Coleman	Johnson	Merriam	Schmitz	Ulland, J.
Davis	Keefe, J.	Moe	Setzepfandt	Vega
Dieterich	Keefe, S.	Nelson	Sieloff	Wegener
Dunn	Kirchner	Nichols	Sikorski	Willet

So the bill passed and its title was agreed to.

S. F. No. 1775: A bill for an act relating to workers' compensation; permitting the workers' compensation reinsurance association to incorporate; exempting the reinsurance association from taxation; providing for amendment to the reinsurance association plan of operation; making changes in rules, requirements and procedures affecting members of the reinsurance association; amending Minnesota Statutes, 1979 Supplement, Sections 79.34; 79.35; 79.36; 79.37; and 79.38; repealing Minnesota Statutes, 1979 Supplement, Sections 79.41 and 79.42.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Kleinbaum	Olhoff	Sillers
Ashbach	Frederick	Knaak	Olson	Solon
Bang	Gearty	Knoll	Omamn	Spear
Barrette	Gunderson	Knutson	Penny	Stern
Benedict	Hanson	Laufenburger	Peterson	Stokowski
Bernhagen	Hughes	Lessard	Purfeerst	Strand
Brataas	Humphrey	Luther	Renneke	Stumpf
Chmielewski	Jensen	Menning	Rued	Ueland, A.
Coleman	Johnson	Merriam	Schmitz	Ulland, J.
Davies	Keefe, J.	Moe	Setzepfandt	Vega
Dieterich	Keefe, S.	Nelson	Sieloff	Wegener
Dunn	Kirchner	Nichols	Sikorski	Willet

So the bill passed and its title was agreed to.

S. F. No. 1736: A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Olhoff	Sillers
Ashbach	Gearty	Knoll	Olson	Solon
Bang	Gunderson	Knutson	Omamn	Spear
Barrette	Hanson	Laufenburger	Penny	Stern
Benedict	Hughes	Lessard	Peterson	Stokowski
Bernhagen	Humphrey	Luther	Purfeerst	Strand
Brataas	Jensen	McCutcheon	Renneke	Stumpf
Chmielewski	Johnson	Menning	Rued	Ueland, A.
Davies	Keefe, J.	Merriam	Schmitz	Ulland, J.
Dieterich	Keefe, S.	Moe	Setzepfandt	Vega
Dunn	Kirchner	Nelson	Sieloff	Wegener
Engler	Kleinbaum	Nichols	Sikorski	Willet

So the bill passed and its title was agreed to.

#### CONSENT CALENDAR

S. F. No. 1745: A bill for an act relating to counties; providing for publication and examination of accounts; amending Minnesota Statutes, 1979 Supplement, Section 375.17.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Stern
Ashbach	Gearty	Knutson	Penny	Stokowski
Bang	Gunderson	Laufenburger	Peterson	Strand
Barrette	Hanson	Lessard	Purfeerst	Stumpf
Benedict	Hughes	Luther	Renneke	Ueland, A.
Bernhagen	Humphrey	McCutcheon	Rued	Ulland, J.
Brataas	Jensen	Menning	Schmitz	Vega
Chmielewski	Johnson	Merriam	Setzepfandt	Wegener
Coleman	Keefe, J.	Moe	Sieloff	Willet
Davies	Keefe, S.	Nelson	Sikorski	
Dieterich	Kirchner	Nichols	Sillers	
Dunn	Kleinbaum	Olhoft	Solon	
Engler	Knaak	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2123: A bill for an act relating to Dakota County; providing for the expenses of the county commissioners; amending Laws 1961, Chapter 249, Section 2, as amended.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olhoft	Sillers
Ashbach	Gearty	Knutson	Olson	Solon
Bang	Hanson	Laufenburger	Omann	Spear
Barrette	Hughes	Lessard	Penny	Stern
Benedict	Humphrey	Luther	Peterson	Stokowski
Bernhagen	Jensen	McCutcheon	Purfeerst	Strand
Brataas	Johnson	Menning	Renneke	Stumpf
Chmielewski	Keefe, J.	Merriam	Rued	Ueland, A.
Davies	Keefe, S.	Moe	Schmitz	Ulland, J.
Dieterich	Kirchner	Nelson	Setzepfandt	Vega
Dunn	Kleinbaum	Nichols	Sieloff	Wegener
Engler	Knaak	Ogdahl	Sikorski	Willet

Mr. Gunderson voted in the negative.

So the bill passed and its title was agreed to.

#### GENERAL ORDERS

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

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

S. F. Nos. 1807, 1887, 1658, 1741, 1630, 1433, 597 and 1996 which the committee recommends to pass.

S. F. No. 1659, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 1, line 20, before the period, insert “, *provided that no license shall be issued to dispense liquor at a public school*”

The motion prevailed. So the amendment was adopted.

S. F. No. 1661, which the committee recommends to pass, subject to the following motions:

Mr. Spear moved to amend S. F. No. 1661 as follows:

Page 6, lines 1, 2, 3, 5, 6, 8 and 9, after “*organization*” insert “*or fraternal club*”

Page 6, line 9, before “\$3,000” insert “*up to*”

Page 6, line 10, after the period insert “*For the purposes of the maximum license fee which may be imposed by a municipality pursuant to this subdivision, “fraternal club” means a club which serves only members and their guests and which uses any profits derived from these sales principally for sponsoring activities beneficial to the community and not for the benefit of any individual.*”

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S. F. No. 1661.

The roll was called, and there were yeas 36 and nays 22, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Knoll	Olson	Stern
Bang	Hughes	Knutson	Penny	Stokowski
Barrette	Humphrey	Luther	Pillsbury	Stumpf
Brataas	Jensen	Merriam	Purfeerst	Ueland, A.
Coleman	Johnson	Moe	Sieloff	
Dieterich	Keefe, S.	Nelson	Sikorski	
Engler	Kleinbaum	Nichols	Sillers	
Gearty	Knaak	Ogdahl	Spear	

Those who voted in the negative were:

Bernhagen	Gunderson	Olhoft	Setzepfandt	Wegener
Chmielewski	Kirchner	Omann	Solon	Willet
Davies	Laufenburger	Renneke	Strand	
Dunn	Lessard	Rued	Ulland, J.	
Frederick	Menning	Schmitz	Vega	

The motion prevailed. So S. F. No. 1661 was recommended to pass.

S. F. No. 1843, which the committee recommends to pass, subject to the following motions:

Mr. Stern moved to amend S. F. No. 1843 as follows:

Page 5, line 5, after “*shall*” insert “, *in his discretion,*”

The motion prevailed. So the amendment was adopted.

Mr. Stern then moved to amend S. F. No. 1843 as follows:

Page 4, line 14, delete "*including control of weeds,*"

Page 4, line 15, after "*bank*" insert "*program, including control of weeds,*"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S. F. No. 1843.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Lessard	Peterson	Stern
Barrette	Hughes	Luther	Pillsbury	Stokowski
Bernhagen	Humphrey	Menning	Purfeerst	Strand
Brataas	Jensen	Merriam	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Ueland, A.
Davies	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Vega
Dunn	Kleinbaum	Ogdahl	Sieloff	Wegener
Engler	Knaak	Olhoft	Sikoraki	Willet
Frederick	Knoll	Olson	Sillers	
Gearty	Knutson	Omann	Solon	
Gunderson	Laufenburger	Penny	Spear	

Mr. McCutcheon voted in the negative.

The motion prevailed. So S. F. No. 1843 was recommended to pass.

S. F. No. 1719, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 3, line 20, reinstate the stricken language.

The motion prevailed. So the amendment was adopted.

S. F. No. 1675, which the committee recommends to pass with the following amendment offered by Mr. Peterson:

Page 9, line 19, delete "*mowed or substantially altered*" and insert "*no longer maintained in its natural state*"

Page 9, line 22, delete "*mows or otherwise substantially alters*"

Page 9, line 23, delete "*the character of*" and insert "*ceases to maintain*" and after "*prairie*" insert "*in its natural state*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1875, which the committee recommends to pass with the following amendment offered by Mr. Keefe, J.:

Page 1, line 10, before the period insert "*to be used for the manufacture of plastic products*"

Page 1, line 13, before the period insert "*to be used for the manufacture of plastic products*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1863 which the committee reports progress, subject to the following motions:

Mr. Merriam moved to amend S. F. No. 1863 as follows:

Page 1, line 18, delete "*, within 30 days after*"

Page 1, line 19, delete the first "*is*" and insert "*has been*"

Page 1, line 19, after the second "*court*" insert "*for a period of at least 30 days*"

Page 6, line 26, delete "*within 30 days after*"

Page 6, line 27, delete "*docketing*" and insert "*a conciliation court judgment has been docketed*"

Page 6, line 27, after the first "*judgment*" insert "*for a period of at least 30 days*"

Page 13, line 28, delete "*, within 30 days after*"

Page 13, line 29, delete the first "*is*" and insert "*has been*"

Page 13, line 29, after "*filed*" insert "*for a period of at least 30 days*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S. F. No. 1863 as follows:

Page 2, line 4, delete "*satisfy the judgment or*"

Page 2, line 7, after "*court*" insert "*unless the judgment is satisfied prior to the expiration of that period*"

Page 6, line 31, delete "*debtor*" and insert "*creditor*"

Page 7, line 5, delete "*satisfy the judgment or*"

Page 7, line 8, after "*court*" insert "*unless the judgment is satisfied prior to the expiration of that period*"

Page 14, line 7, delete "*satisfy the*"

Page 14, line 8, delete "*judgment or*"

Page 14, line 10, after "*court*" insert "*unless the judgment is satisfied prior to the expiration of that period*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1863 was then progressed.

S. F. No. 1311, which the committee recommends to pass with the following amendment offered by Mr. Purfeerst:

Page 1, line 14, after "*Dakota*" strike the comma

Page 1, line 15, after "*Scott*" strike the comma

Page 11, line 22, after "*Waterford*" insert "*, excluding the city of Northfield*"

Page 11, line 26, delete the last comma

Page 11, line 27, delete the new language

Page 12, lines 24 and 29, after "Dakota" strike the comma

Page 12, lines 25 and 30, after "Scott" strike the comma

The motion prevailed. So the amendment was adopted.

S. F. No. 1740, which the committee recommends to pass with the following amendment offered by Mr. McCutcheon:

Page 2, line 7, delete "*leaving employment,*" and strike "except a"

Page 2, line 8, strike the old language and delete the new language

Page 2, line 9, delete "I" and strike the comma

Page 2, line 9, reinstate the stricken language and strike "100"

Page 2, strike line 10

Page 2, line 11, strike the old language and delete the new language

Page 2, line 12, strike "an amount equivalent to"

Amend the title as follows:

Page 1, line 2, delete "education; changing the definition of"

Page 1, delete line 3

Page 1, line 4, delete "amount of severance pay for teachers" and insert "local public employees; increasing the amount of severance pay which may be given to certain employees"

The motion prevailed. So the amendment was adopted.

S. F. No. 789, which the committee reports progress, subject to the following motions:

Mr. Bang moved to amend S. F. No. 789 as follows:

Page 1, line 15, delete "*consanguinity or affinity*" and insert "*blood or marriage*"

Page 2, line 22, delete "*which*" and insert "*that*"

Page 2, line 26, delete "*Unless a facility is*" and insert "*Sub-division 1.*"

Page 2, delete lines 27 to 29 and insert "*A provider shall not enter into a contract that requires or permits the payment of an entrance fee in consideration for a promise to provide continuing care in the facility, if*"

Page 2, line 30, delete "*fee to any person, and either*"

Page 2, line 31, after "or" insert "*if*"

Page 3, line 2, after "*solicitation*" insert "*, unless the facility is registered under this section*"

- Page 3, line 3, delete "(a)" and insert "Subd. 2."
- Page 3, line 8, delete "(1)" and insert "(a)"
- Page 3, line 11, delete "(2)" and insert "(b)"
- Page 3, line 15, delete "(b)" and insert "Subd. 3."
- Page 3, line 18, delete "(1)" and insert "(a)"
- Page 3, line 23, delete "(2)" and insert "(b)"
- Page 3, line 24, delete "clause (b), (1)" and insert "paragraph (a)"
- Page 3, line 27, after "provider" insert ", the information shall include"
- Page 3, line 28, delete "(i)" and insert "(1)"
- Page 3, line 30, delete the period and insert a semicolon
- Page 3, line 31, delete "(ii)" and insert "(2)"
- Page 3, line 33, delete "which" in both cases and insert "that"
- Page 4, lines 1 and 32, delete "which" and insert "that"
- Page 4, lines 6 and 22, delete the period and insert "; and"
- Page 4, line 7, delete "(iii)" and insert "(3)"
- Page 4, line 23, delete "(3)" and insert "(c)"
- Page 4, line 25, before "Upon" insert "Subd. 4."
- Page 5, line 3, delete "At the time of or" and insert "Subdivision 1. Before"
- Page 5, line 4, delete "prior to"
- Page 5, line 5, delete "at the time of or prior to" and insert "before"
- Page 8, lines 10 and 19, delete "which" and insert "that"
- Page 8, line 23, delete the period and insert a semicolon
- Page 9, line 23, delete the period and insert "; and"
- Page 9, lines 26 and 33, delete the semicolon and insert a period
- Page 9, line 27, delete "(n)" and insert "Subd. 2."
- Page 10, line 1, delete "(o)" and insert "Subd. 3."
- Page 10, line 5, delete "(1)" and insert "(a)"
- Page 10, line 6, delete "seven" and insert "ten"
- Page 10, line 13, delete "(2)" and insert "(b)"
- Page 10, line 25, delete the semicolon and insert a period
- Page 10, line 26, delete "(p)" and insert "Subd. 4."
- Page 10, line 32, delete "(q)(1)" and insert "Subd. 5. (a)"

- Page 11, line 1, delete "(2)" and insert "(b)"
- Page 11, line 4, delete "(3)"
- Page 11, line 7, delete "(i) the" and insert "(1) The"
- Page 11, line 9, delete "(ii) the" and insert "(2) The"
- Page 11, line 11, delete "(iii) the" and insert "(3) The"
- Page 11, line 12, delete "(iv) the" and insert "(4) The"
- Page 11, line 14, delete "(v) the" and insert "(5) The"
- Page 11, line 16, delete "(vi) any" and insert "(6) Any"
- Page 11, lines 17 and 27, delete "which" and insert "that"
- Page 11, line 19, before "As" insert "Subdivision 1."
- Page 11, line 33, delete "clause (o)" and insert "subdivision 3"
- Page 12, line 5, delete "clause (o)" and insert "subdivision 3,"
- Page 12, line 14, delete "Aggregate" and insert "The sum of"
- Page 12, line 19, delete "are equal to not less than" and insert "equals or exceeds the sum of"
- Page 12, lines 21 and 25, delete "not less than"
- Page 13, line 3, delete "either"
- Page 13, line 4, delete "(i)"
- Page 13, lines 10 and 21, delete ", and" and insert a semicolon
- Page 13, line 14, delete "and"
- Page 13, line 31, delete "(ii)"
- Page 14, line 1, delete "; or" and insert a period
- Page 14, line 2, delete "(iii)" and insert "Subd. 2."
- Page 14, lines 3 and 11, before "clause" insert "subdivision 1,"
- Page 14, line 5, delete "an amount equal to"
- Page 14, line 11, delete "(iv)" and insert "Subd. 3."
- Page 14, line 17, delete "made payment" and insert "paid them"
- Page 14, line 18, delete "thereof"
- Page 14, line 18, delete the semicolon and insert a period
- Page 14, line 19, delete "(v)" and insert "Subd. 4."
- Page 14, line 19, delete "shall be interpreted as"
- Page 14, line 20, delete "requiring" and insert "requires"
- Page 14, line 20, delete the comma and insert "that does"
- Page 14, line 21, delete the comma and insert "and is"
- Page 14, line 22, delete the semicolon and insert a period

Page 14, line 23, delete "(vi)" and insert "Subd. 5."

Page 14, line 30, delete "Any" and insert "Subd. 6."

Page 15, line 20, delete "which" and insert "that"

Page 15, lines 22 and 23, delete "providers" and insert "providers"

Page 16, line 13, delete "thereof"

Page 16, line 16, delete "shall be" and insert "is"

Page 16, line 23, delete "shall remain" and insert "remains"

Page 16, line 29, delete "which" and insert "that"

Page 17, line 1, after the comma insert "subdivision 1,"

Page 17, line 16, delete "which" and insert "that"

Page 18, line 16, delete "and" and insert "or"

Page 19, line 3, delete "in the application"

Page 19, lines 31 and 32, delete "which" and insert "that"

Page 20, lines 7 and 14, delete "which" and insert "that"

Page 20, line 28, after "section" insert "for any violation, misstatement or omission"

Page 20, line 29, delete "regardless of whether or not" and insert "only if"

Page 20, line 30, delete "had actual knowledge of" and insert "knew or should have known of the violation,"

Page 21, line 1, before "The" insert "Subdivision 1."

Page 21, line 10, before "For" insert "Subd. 2."

Page 21, line 16, before "For" insert "Subd. 3."

Page 21, lines 22, 24 and 33, delete "which" and insert "that"

Page 22, line 10, delete "under this act" and insert "hereunder"

Page 22, line 13, delete "such"

Page 22, line 14, delete "this act" and insert "sections 3 to 16"

Page 22, line 16, delete "such a" and insert "the"

Page 22, line 17, delete "under this act"

Page 22, line 18, delete "this act" and insert "sections 3 to 16"

Page 24, line 3, delete "which" and insert "that"

Page 24, line 7, delete "as are necessary"

The motion prevailed. So the amendment was adopted.

S. F. No. 789 was then progressed.

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

**RECESS**

Mr. Coleman moved that the Senate do now recess until 2:00 o'clock p.m. The motion prevailed.

The hour of 2:00 o'clock p.m. having arrived, the President called the Senate to order.

**CALL OF THE SENATE**

Mr. Davies imposed a call of the Senate. The following Senators answered to their names:

Bang	Hanson	Merriam	Rued	Stumpf
Barrette	Humphrey	Nelson	Schmitz	Ueland, A.
Bernhagen	Johnson	Ogdahl	Setzepfandt	Ulland, J.
Chmielewski	Keefe, S.	Olson	Sieloff	Vega
Davies	Kirchner	Omann	Sikorski	Wegener
Dieterich	Knaak	Penny	Sillers	Willet
Dunn	Knoll	Peterson	Spear	
Engler	Luther	Pillabury	Staples	
Gearty	McCutcheon	Purfeerst	Stern	
Gunderson	Menning	Renneke	Stokowski	

The Sergeant at Arms was instructed to bring in the absent members.

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

**REPORTS OF COMMITTEES**

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 657, 2094, 1641, 1704, 1854, 1132, 1398, 773, 2109, 1756, 1208, 2138, 1783, 2053, 2136, 1844, 2111, 1997, 2168, 2183, 2017, 1805, 1788, 1838, 2172 and 2231, makes the following report:

That the above Senate Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Hanson moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

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

**MOTIONS AND RESOLUTIONS  
SUSPENSION OF RULES**

Mr. Hanson moved that the rules of the Senate be so far suspended as to take up the General Orders Calendar and waive the lie-over requirement. The motion prevailed.

**GENERAL ORDERS**

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

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

S. F. Nos. 789, 1615, 1892, 1716, 1796, 1751, 1541, 2095, 1732, 1731, 1613, 2090, 1679, 2110, 2104, 1900, 1957, 2077, 1937, 2131, 2102, 2040, 1703, 1187, 1889, 1979, 1662, 1188, 1700, 1358, 1922, 1825, 1810 and 1818 which the committee recommends to pass.

S. F. No. 1863, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1978, Section 487.30, Subdivision 1, is amended to read:

487.30 [CONCILIATION COURT.] 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~~ \$1,500 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."

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1978, 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 ~~\$1,000~~ \$1,500 . 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."

Page 9, after line 31, insert:

"Sec. 13. Minnesota Statutes 1978, 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 ~~\$1,000~~ \$1,500 . 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.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “raising the jurisdictional limit for conciliation court;”

Page 1, line 7, after the second comma, insert “Subdivision 1 and”

Page 1, line 8, after the first semicolon, insert “488A.12, Subdivision 3;”

Page 1, line 10, after the second semicolon, insert “488A.29, Subdivision 3;”

The motion prevailed. So the amendment was adopted.

S. F. No. 1707, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 2, after line 20, insert:

*“Before adopting any regulation under this section the board shall hold a public hearing on the matter with notice in the manner provided in section 366.15.”*

Page 2, after line 22, insert:

“Sec. 3. Minnesota Statutes 1978, Section 366.13, is amended to read:

366.13 [ZONING DISTRICTS.] For any or all of these purposes the board of supervisors of any such town where a majority of the legal voters voting thereon have voted “Yes” at such an election, may divide the portions of the town into districts or zones of such number, shape, and area as may be deemed best suited to carry out the purposes of sections 366.10 to 366.18, and within such districts or zones it may regulate and restrict the location, height, bulk, number of stories, size of buildings and other structures, the location of roads and schools, the percentage of lot which may be occupied, the sizes 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, or other purposes. All such regulations shall be uniform for each class and kind of buildings and for the use of land throughout each district, but the regulations in one district may differ from those in other districts.

No such board of supervisors may make any regulation prohibiting the erection, establishment, alteration, enlargement, use, occupancy or maintenance of any landing area or airport as defined by the act of Congress known as the Civil Aeronautics Act of 1938,

owned by any municipality, political subdivision, or public corporation created in and for any two or more municipalities, the operation and use of which has been approved by the department of transportation or by the Civil Aeronautics Board of the United States, nor shall any permit under the provisions of sections 366.10 to 366.18 be required for any such erection, establishment, alteration, enlargement, use, occupancy or maintenance. Any regulations heretofore made by any board of supervisors prohibiting such erection, establishment, alteration, enlargement, use, occupancy or maintenance of airports are hereby abrogated and annulled.

*Before adopting any division or regulation under this section the board shall hold a public hearing on the matter with notice in the manner provided in section 366.15."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "question;" insert "requiring hearing and notice before certain actions;"

Page 1, line 5, after "366.12" insert "; 366.13;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1811, which the committee recommends to pass with the following amendments offered by Messrs. Setzepfandt and Purfeerst:

Mr. Setzepfandt moved to amend S. F. No. 1811 as follows:

Page 1, after line 19, insert:

*"Sec. 2. This act is effective the day following final enactment."*

The motion prevailed. So the amendment was adopted.

Mr. Purfeerst moved to amend S. F. No. 1811 as follows:

Amend the title as follows:

Page 1, lines 3 and 4, delete "caused by highway construction"

The motion prevailed. So the amendment was adopted.

S. F. No. 1921, which the committee recommends to pass with the following amendment offered by Mr. Sillers:

Page 1, line 11, strike everything after "Moorhead"

Page 1, strike lines 12 and 13

Page 1, line 14, strike "between them for public transportation service" and insert "*is authorized to provide and assist public transportation services through acquisition, construction or operation; directly, by lease or contract,*"

Amend the title as follows:

Page 1, line 3, delete "under a contract"

The motion prevailed. So the amendment was adopted.

S. F. No. 2067, which the committee recommends to pass with the following amendment offered by Mr. Johnson:

Page 1, line 10, before "(a)" insert "*Subdivision 1.*"

Page 1, line 16, reinstate the stricken language

Page 1, line 17, delete the new language

Page 2, after line 22, insert:

*"Subd. 2. (a) The time price differential authorized by sections 168.66 to 168.77 in a retail installment sale for a class 1 motor vehicle as defined by subdivision 1, which is sold between the effective date of this subdivision and July 1, 1983, shall not exceed \$10 per \$100 per year.*

*(b) This subdivision supercedes the provisions of subdivision 1, clause (a), regarding the lawful time price differential rate for class 1 motor vehicles, from the effective date of this subdivision until July 31, 1983."*

Page 2, line 24, after the period insert "*Section 1, subdivision 2, is repealed on July 31, 1983.*"

The motion prevailed. So the amendment was adopted.

S. F. No. 978, which the committee recommends to pass with the following amendment offered by Mr. Keefe, S.:

Page 3, line 23, delete "provision of the statutes of this state" and insert "law"

The motion prevailed. So the amendment was adopted.

S. F. No. 1813, which the committee recommends to pass with the following amendment offered by Mr. Setzepfandt:

Page 2, line 13, reinstate "residence,"

Page 2, line 15, after the semicolon insert "*provided that the owner of a licensed mobile home park who resides in or adjacent to the park may use his residence as the established place of business required by this section;*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1493, which the committee recommends to pass with the following amendment offered by Mr. Wegener:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes, 1979 Supplement, Section 204A.23, is amended to read:

204A.23 [COMPENSATION.] The compensation for services performed under the Minnesota election law shall be as follows:

(a) To presidential electors from funds appropriated to the secretary of state for this purpose, \$35 for each day's attendance at the capitol, and an amount for each mile necessarily traveled in

going to and returning from St. Paul, equal to the amount allowed for state employees in accordance with regulation under section 471.665, subdivision 1;

(b) To persons, other than county, city or township employees during their normal work day, appointed or designated by the county auditor to carry ballots to or from the county auditor's office, a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel, equal to the amount allowed for state employees in accordance with regulation under section 471.665, subdivision 1;

(c) To members of county canvassing boards, \$5 for each eight hours of service as members of the canvassing board and seven and one-half cents for each mile of necessary travel each day, provided that in counties now or hereafter having a population of 600,000 or more the members of the county canvassing boards in those counties shall be paid \$12 for each eight hours of service as members of the canvassing board, and mileage a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel, equal to the amount allowed for state employees pursuant to section 471.665, subdivision 1;

(d) The compensation for election judges in home rule charter and statutory cities shall be fixed by the governing body of the city. The compensation of election judges in unorganized territory shall be fixed by the county board. The compensation for election judges in towns shall be fixed by the town board. A county or a town election judge shall receive, and an election judge who travels to pick up election supplies or to deliver election returns to the county auditor shall receive, in addition to other compensation authorized by this section, a sum not less than the prevailing Minnesota minimum wage for each hour spent performing these duties, plus mileage in the same amount as allowed for state employees pursuant to section 471.665, subdivision 1; and

(e) To special peace officers, an amount for each hour of service rendered by direction of the judges, to be fixed as in the case of judges of election."

Page 2, line 2, delete "*This act*" and insert "*Section 1*"

Page 2, line 3, after the period, insert "*Section 2 is effective for elections after the date of final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "fixing compensation for county canvassing boards and county and township election judges;"

Page 1, line 7, before the period, insert "; and Minnesota Statutes, 1979 Supplement, Section 204A.23"

The motion prevailed. So the amendment was adopted.

Mr. Coleman moved that the report of the Committee of the Whole, as kept by the Secretary, be now adopted.

Mr. Davies requested that S. F. No. 2131 be divided out.

The question was taken on the adoption of the motion of Mr. Coleman. The motion prevailed.

The question was taken on the adoption of the report on S. F. No. 2131. The motion prevailed.

#### MEMBERS EXCUSED

Mr. Schaaf was excused from the Session of today. Mr. Lessard was excused from this afternoon's Session. Mr. Tennesen was excused from the Session of today from 10:00 o'clock a.m. to 3:00 o'clock p.m. Mr. Dieterich was excused from this afternoon's Session at 4:00 o'clock p.m. Mr. Knutson was excused from the Session of today at 3:00 o'clock p.m.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Wednesday, March 12, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**SEVENTY-SEVENTH DAY**

St. Paul, Minnesota, Wednesday, March 12, 1980

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

**CALL OF THE SENATE**

Mr. Keefe, S. imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Engler	Knaak	Pillsbury	Stokowski
Barrette	Gearty	Knoll	Purfeerst	Strand
Benedict	Gunderson	Lessard	Renneke	Stumpf
Bernhagen	Hughes	Menning	Rued	Tennessee
Brataas	Humphrey	Moe	Schmitz	Ueland, A.
Chmielewski	Jensen	Nelson	Setzepfandt	Vega
Coleman	Johnson	Ogdahl	Sieloff	Wegener
Davies	Keefe, S.	Olhoff	Sillers	Willet
Dieterich	Kirchner	Penny	Spear	
Dunn	Kleinbaum	Peterson	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. David Rebeck.

**RECESS**

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

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

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoff	Solon	
Frederick	Knoll	Olson	Spear	

The President declared a quorum present.

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

#### MEMBERS EXCUSED

Messrs. Perpich, Schaaf and Sikorski were excused from the Session of today. Mr. Nelson was excused from the Session of today from 10:45 to 11:20 o'clock a.m.

#### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Hanson introduced—

S. F. No. 2366: A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Thief River Falls.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Laufenburger introduced—

S. F. No. 2367: A bill for an act relating to insurance; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules and to implement the program.

Referred to the Committee on Commerce.

Messrs. Keefe, S.; Laufenburger; Willet; Vega and Luther introduced—

S. F. No. 2368: A bill for an act relating to health; establishing a fund to compensate employees with disabilities attributable to occupational diseases and to smoking; imposing an additional excise tax on cigarettes; imposing duties on the commissioner of labor and industry; amending Minnesota Statutes 1978, Sections 297.02, Subdivision 1; 297.13; and Chapter 176, by adding a section.

Referred to the Committee on Employment.

Messrs. Ulland, J. and Solon introduced—

S. F. No. 2369: A bill for an act relating to the city of Duluth; providing for certain city tax revenues; repealing Laws 1973, Chapter 461, as amended; and Laws 1977, Chapter 438, as amended.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ueland, A.; Renneke; Mrs. Staples; Messrs. Engler and Rued introduced—

S. F. No. 2370: A bill for an act relating to education; appropriating money for a program for continuing education for registered nurses.

Referred to the Committee on Education.

Messrs. Olson, Bang, Laufenburger, Johnson and Olhoft introduced—

S. F. No. 2371: A bill for an act relating to taxation; providing for reduction of motor vehicle excise tax when purchase price of vehicle is reduced by value of goods traded for vehicle; amending Minnesota Statutes 1978, Section 297B.01, Subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 10, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1980 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:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
1848		350	March 10	March 10

Sincerely,  
Joan Anderson Growe,  
Secretary of State

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1656, 1666, 1692, 1695, 1732, 184, 1286, 1513, 1956 and 1996.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 11, 1980

**FIRST READING OF HOUSE BILLS**

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

H. F. No. 1656: A bill for an act relating to motor vehicles; providing for delivery of motor vehicle certificates of title to owners upon satisfaction of a security interest; amending Minnesota Statutes 1978, Section 168A.20, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1703 now on the Calendar.

H. F. No. 1666: A bill for an act relating to transportation; repealing a certain administrative rule of the department of transportation enforcing parallel parking on certain streets and highways.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1615 now on the Calendar.

H. F. No. 1692: A bill for an act relating to insurance; requiring the issuance of temporary licenses to certain qualified persons; amending Minnesota Statutes 1978, Section 60A.17, by adding a subdivision.

Referred to the Committee on Commerce.

H. F. No. 1695: A bill for an act relating to highways; providing that a resolution of a county board revoking a county highway that would revert to a town is not effective until the highway meets town road specification standards; amending Minnesota Statutes 1978, Section 163.11, Subdivision 5a.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1756 now on General Orders.

H. F. No. 1732: A bill for an act relating to motor vehicle carriers; defining courier services carrier; providing the procedures for granting permits to courier services carriers; excluding courier service carriers from the term regular route common carrier; amending Minnesota Statutes 1978, Sections 221.011, Subdivision 9, and by adding a subdivision; and 221.121, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1704 now on General Orders.

H. F. No. 184: A bill for an act relating to St. Louis County; requiring that restaurants comply with certain health laws.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 1286: A bill for an act relating to commerce; providing for the qualification of free distribution newspapers as legal newspapers; amending Minnesota Statutes 1978, Section

331.02, Subdivisions 1 and 6; repealing Minnesota Statutes 1978, Sections 16.61 and 331.09.

Referred to the Committee on Judiciary.

H. F. No. 1513: A bill for an act relating to the environment; regulating activities of drillers of exploratory borings; specifying the powers and duties of public officers and agencies; providing penalties; amending Minnesota Statutes 1978, Sections 156A.01; 156A.02, Subdivision 1, and by adding subdivisions; 156A.03, Subdivision 1; 156A.04; 156A.08; and Chapter 156A, by adding a section.

Referred to the Committee on Agriculture and Natural Resources.

H. F. No. 1956: A bill for an act relating to real estate; providing for a state land registration assurance fund; combining the tax forfeited land assurance account with the land registration assurance fund; eliminating separate county assurance funds; appropriating money; amending Minnesota Statutes 1978, Sections 284.28, Subdivisions 8, 9 and 10; 508.75; 508.77; 508.79; 508.82; and 541.024, Subdivision 1; repealing Minnesota Statutes 1978, Section 508.83.

Referred to the Committee on Judiciary.

H. F. No. 1996: A bill for an act relating to industrial development; providing for various energy related projects; amending Minnesota Statutes 1978, Sections 474.01, Subdivision 4; and 474.02, by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Section 474.03.

Referred to the Committee on Energy and Housing.

#### REPORTS OF COMMITTEES

Mr. Keefe, S. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S. F. No. 1031. The motion prevailed.

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

S. F. No. 1905: A bill for an act relating to the Nine Mile Creek Watershed District; providing for the establishment of a district water maintenance and repair fund; authorizing a tax levy for water maintenance and repair purposes.

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

Page 1, line 8, after "CREEK" insert "AND RILEY-PURGATORY CREEK"

Page 1, line 8, delete "DISTRICT" and insert "DISTRICTS"

Page 1, line 11, after "District" insert "in Hennepin County and the Riley-Purgatory Creek Watershed District in Hennepin and Carver counties"

Page 1, line 11, delete "is" and insert "are each"

Page 1, line 11, delete "and empowered,"

Page 1, line 12, delete "in addition to all powers it now possesses,"

Page 1, line 15, delete "Nine Mile Creek Watershed District" and insert "district"

Page 1, line 21, after "\$15,000" insert "in each district"

Page 2, line 20, delete "Nine Mile Creek Watershed District" and insert "district"

Page 2, line 23, delete "Nine Mile Creek Watershed District" and insert "district"

Page 3, line 1, after "effective" insert "for each district named in section 1"

Page 3, line 2, delete "Nine" and insert "respective districts"

Page 3, line 3, delete "Mile Creek Watershed District"

Amend the title as follows:

Page 1, line 2, before the semicolon, insert "and the Riley-Purgatory Creek Watershed District"

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

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

S. F. No. 1962: A bill for an act relating to the environment; setting a date by which the environmental quality board is to amend certain procedures; changing the recipient of petitions for environmental impact statements; providing for contested case hearings; altering the liability for environmental impact statement costs under certain conditions; amending Minnesota Statutes 1978, Sections 116D.04, Subdivisions 2, 3 and 7; and 116D.045.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 1a. [DEFINITIONS.] For the purposes of sections 116D.01 to 116D.07, the following terms have the meanings given to them in this subdivision.*

*(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.*

(b) *"Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.*

(c) *"Environmental assessment worksheet" means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.*

(d) *"Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated or approved by units of government including the federal government.*

(e) *"Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under chapter 112, counties, towns, cities, port authorities and housing authorities, but not including courts, school districts and regional development commissions other than the metropolitan council.*

Sec. 2. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 2a. Where there is potential for significant environmental effects resulting from any major governmental action, the action shall be preceded by a detailed environmental impact statement prepared by the responsible governmental unit. The environmental impact statement shall be an analytical rather than an encyclopedic document which describes the proposed action in detail, analyzes its significant environmental impacts, discusses appropriate alternatives to the proposed action and their impacts, and explores methods by which adverse environmental impacts of an action could be mitigated. The environmental impact statement shall also analyze those economic, employment and sociological effects that cannot be avoided should the action be implemented. To ensure its use in the decision making process, the environmental impact statement shall be prepared as early as practical in the formulation of an action.*

(a) *The board shall by rule establish categories of actions for which environmental impact statements and for which environmental assessment worksheets shall be prepared as well as categories of actions for which no environmental review is required under this section.*

(b) *The responsible governmental unit shall promptly publish notice of the completion of an environmental assessment worksheet in a manner to be determined by the board and shall provide copies of the environmental assessment worksheet to the board and its member agencies. Comments on the need for an environmental impact statement may be submitted to the responsible governmental unit during a 30 day period following publication of the notice that an environmental assessment worksheet has been completed. The responsible governmental unit's decision on the need for an environmental impact statement shall be based on the environmental assessment worksheet and the comments received during the comment period, and shall be made within 15 days after*

*the close of the comment period. The board's chairman may extend the 15 day period by not more than 15 additional days upon the request of the responsible governmental unit.*

*(c) An environmental assessment worksheet shall also be prepared for a proposed action whenever material evidence accompanying a petition by not less than 25 individuals, submitted before the proposed project has received final approval by the appropriate governmental units, demonstrates that, because of the nature or location of a proposed action, there may be potential for significant environmental effects. Petitions requesting the preparation of an environmental assessment worksheet shall be submitted to the board. The chairman of the board shall determine the appropriate responsible governmental unit and forward the petition to it. A decision on the need for an environmental assessment worksheet shall be made by the responsible governmental unit within 15 days after the petition is received by the responsible governmental unit. The board's chairman may extend the 15 day period by not more than 15 additional days upon request of the responsible governmental unit.*

*(d) The board may, prior to final approval of a proposed project, require preparation of an environmental assessment worksheet by a responsible governmental unit selected by the board for any action where environmental review under this section has not been specifically provided for by rule or otherwise initiated.*

*(e) An early and open process shall be utilized to limit the scope of the environmental impact statement to a discussion of those impacts, which, because of the nature or location of the project, have the potential for significant environmental effects. The same process shall be utilized to determine the form, content and level of detail of the statement as well as the alternatives which are appropriate for consideration in the statement. In addition the permits which will be required for the proposed action shall be identified during the scoping process. Further, the process shall identify those permits for which information will be developed concurrently with the environmental impact statement. The board shall provide in its rules for the expeditious completion of the scoping process. The determinations reached in the process shall be incorporated into the order requiring the preparation of an environmental impact statement.*

*(f) Whenever practical, information needed by a governmental unit for making final decisions on permits or other actions required for a proposed project shall be developed in conjunction with the preparation of an environmental impact statement.*

*(g) An environmental impact statement shall be prepared and its adequacy determined within 280 days after notice of its preparation unless the time is extended by consent of the parties or by the governor for good cause. The responsible governmental unit shall determine the adequacy of an environmental impact statement, unless within 60 days after notice is published that an environmental impact statement will be prepared, the board chooses to determine the adequacy of an environmental impact*

*statement. If an environmental impact statement is found to be inadequate, the responsible governmental unit shall have 60 days to prepare an adequate environmental impact statement.*

Sec. 3. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 3a. Within 90 days after final approval of an environmental impact statement, final decisions shall be made by the appropriate governmental units on those permits which were identified as required and for which information was developed concurrently with the preparation of the environmental impact statement. Provided, however, that the 90 day period may be extended where a longer period is required by federal law or state statute or is consented to by the permit applicant. The permit decision shall include the reasons for the decision, including any conditions under which the permit is issued, together with a final order granting or denying the permit.*

Sec. 4. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 4a. The board shall by rule identify alternative forms of environmental review which will address the same issues and utilize similar procedures as an environmental impact statement in a more timely or more efficient manner to be utilized in lieu of an environmental impact statement.*

Sec. 5. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 5a. The board shall, by January 1, 1981, promulgate rules in conformity with this chapter and the provisions of chapter 15, establishing:*

*(a) The governmental unit which shall be responsible for environmental review of a proposed action;*

*(b) The form and content of environmental assessment worksheets;*

*(c) A scoping process in conformance with subdivision 2a, clause (e);*

*(d) A procedure for identifying during the scoping process the permits necessary for a proposed action and a process for coordinating review of appropriate permits with the preparation of the environmental impact statement;*

*(e) A standard format for environmental impact statements;*

*(f) Standards for determining the alternatives to be discussed in an environmental impact statement;*

*(g) Alternative forms of environmental review which are acceptable pursuant to subdivision 4a;*

*(h) A model ordinance in lieu of the environmental impact statement process required by this section which may be adopted*

by local governmental units where the local governmental unit is the responsible governmental unit for reviewing a proposed action. The model ordinance shall provide for adequate consideration of appropriate alternatives, and shall ensure that decisions are made in accordance with the policies and purposes of this act;

(i) Procedures to reduce paperwork and delay through inter-governmental cooperation and the elimination of unnecessary duplication of environmental reviews;

(j) Procedures for expediting the selection of consultants by the governmental unit responsible for the preparation of an environmental impact statement; and

(k) Any additional rules which are reasonably necessary to carry out the requirements of this section.

Sec. 6. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 6a. Prior to the preparation of a final environmental impact statement, the governmental unit responsible for the statement shall consult with and request the comments of every governmental office which has jurisdiction by law or special expertise with respect to any environmental effect involved. Copies of the drafts of such statements and the comments and views of the appropriate offices shall be made available to the public. The final detailed environmental impact statement and the comments received thereon shall precede final decisions on the proposed action and shall accompany the proposal through an administrative review process.*

Sec. 7. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 10. Decisions on the need for an environmental assessment worksheet, the need for an environmental impact statement and the adequacy of an environmental impact statement may be reviewed by certiorari by the district court of the county wherein the proposed action, or any part thereof, would be undertaken. No bond shall be required under Minnesota Statutes, Section 562.02, as a prerequisite to review under this subdivision. The board may initiate judicial review of decisions referred to herein and may intervene as of right in any proceeding brought under this subdivision.*

Sec. 8. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

*Subd. 11. If the board or governmental unit which is required to act within a time period specified in this section fails to so act, any person may seek an order of the district court requiring the board or governmental unit to immediately take the action mandated by subdivisions 2a and 3a.*

Sec. 9. Rules adopted under the authority of section 116D.04

*which are in effect on the effective date of this act shall remain in effect until the rules required by this section become effective.*

Sec. 10. [REPEALER.] *Minnesota Statutes 1978, Section 116D.04, Subdivision 1, 2, 3, 4 and 5 are repealed.*

Sec. 11. [EFFECTIVE DATE.] *Sections 1 to 10 are effective the day following final enactment."*

Amend the title as follows:

Delete the title and insert:

*"A bill for an act relating to the environment; altering the procedure for environmental review; providing for alternative forms of environmental review; amending Minnesota Statutes 1978, Section 116D.04, by adding subdivisions; repealing Minnesota Statutes 1978, Section 116D.04, Subdivisions 1, 2, 3, 4, and 5."*

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2099: A bill for an act relating to housing; permitting an increase in certain grants made by the housing finance agency; authorizing limitations on the assumability of mortgages made or purchased by the agency; modifying the program for moderate rehabilitation of rental properties; amending Minnesota Statutes 1978, Section 462A.05, Subdivision 17; and Minnesota Statutes, 1979 Supplement, Sections 462A.05, Subdivision 15; and 462A.21, Subdivision 11.

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

Page 3, line 15, after "property" strike "of" and delete "two" and strike "units or more"

Page 3, line 22, delete "or any more"

Page 3, line 23, delete "stringent energy standard established by the agency"

Page 3, after line 32, insert:

"Sec. 4. Minnesota Statutes, 1979 Supplement, Section 462C.03, is amended by adding a subdivision to read:

*Subd. 9. The plan may include limitations or prohibitions on the assumption of the loans or other terms which are inconsistent with section 47.20, subdivision 6, for notes or bonds issued by the city pursuant to section 462C.07."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "the" and insert "a state or local"

Page 1, line 10, delete "and"

Page 1, line 11, before the period insert "; and 462C.03, by adding a subdivision"

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

Mr. Anderson from the Committee on Energy and Housing, to which was re-referred

S. F. No. 1459: A bill for an act relating to the Minnesota housing finance agency; establishing a veterans' homeownership assistance program; providing for an increase in the authorization for agency bonds and notes; appropriating money; amending Minnesota Statutes 1978, Sections 462A.03, by adding subdivisions; 462A.05, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 462A.22, Subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 19. It may make grants of up to \$4,000 to veterans or veterans' dependents whose household annual gross income does not exceed \$22,000 to assist in making down payments to enable them to purchase new or existing housing to be used as their principal place of residence. To be eligible, the veteran or veteran's dependent must not have owned a home for the three years preceding receipt of the grant, and must enter into an agreement with the agency, with appropriate security as determined by the agency, to repay the grant amount in full if the property is sold, transferred, or otherwise conveyed, or ceases to be the recipient's principal place of residence within five years following the receipt of the grant. For the purpose of this subdivision, "veteran" means a person residing in Minnesota who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, and who is a citizen of the United States, and who served at any time during the period from August 5, 1964 to December 31, 1976; and "veteran's dependent" means a person residing in Minnesota who is the unmarried surviving spouse of a veteran.*

Sec. 2. Minnesota Statutes 1978, Section 462A.21, is amended by adding a subdivision to read:

*Subd. 4g. It may create a revolving fund to be used to make grants for the purpose of section 1 and pay the costs and expenses necessary and incidental to the development and operation of the grant program authorized therein.*

Sec. 3. [APPROPRIATION.] \$4,000,000 is appropriated from the general fund to the housing development fund created by sec-

*tion 462A.20 for the veterans housing assistance program provided by section 1, and to pay related costs and expenses.*

*The approved complement of the Minnesota housing finance agency is increased by one position and the cost limit is increased by \$....."*

Amend the title as follows:

Page 1, line 4, delete "providing for an increase in the"

Page 1, delete line 5

Page 1, line 7, delete "462A.03, by adding subdivisions;"

Page 1, line 8, delete "Minnesota"

Page 1, delete line 9

Page 1, line 10, delete "Subdivision 1" and insert "462A.21, by adding a subdivision"

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

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2312: A resolution memorializing the President and Congress to adopt federal legislation concerning the destruction of certain energy facilities.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1053: A bill for an act relating to health; authorizing the commissioner of health to establish a research program concerning therapeutic uses of marijuana; establishing requirements for the program; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS AND PURPOSE.] The legislature finds that scientific literature indicates promise for delta-9-tetrahydro-cannabinol (THC), the active component of marijuana, in alleviating certain side effects of cancer chemotherapy under strictly controlled medical circumstances.

The legislature also finds that further research and strictly controlled experimentation regarding the therapeutic use of THC is necessary and desirable. The intent of sections 1 to 7 is to establish an extensive research program to investigate and report on the therapeutic effects of THC under strictly controlled circumstances

in compliance with all federal laws and regulations promulgated by the federal food and drug administration, the national institute on drug abuse and the drug enforcement administration. The intent of the legislature is to allow this research program the greatest possible access to qualified cancer patients residing in Minnesota who meet protocol requirements. The establishment of this research program is not intended in any manner whatsoever to condone or promote the illicit recreational use of marijuana.

Sec. 2. [DEFINITIONS.] Subdivision 1. For purposes of sections 1 to 7, the following terms shall have the meanings given.

Subd. 2. "Commissioner" means the commissioner of health.

Subd. 3. "Marijuana" means marijuana as defined in Minnesota Statutes, Section 152.01, Subdivision 9, and delta-9-tetrahydrocannabinols (THC), tetrahydrocannabinols or a chemical derivative of tetrahydrocannabinols, and all species of the genus *Cannabis*.

Subd. 4. "Principal investigator" means the individual responsible for the medical and scientific aspects of the research, development of protocol, and contacting and qualifying the clinical investigators in the state.

Subd. 5. "Clinical investigators" means those individuals who conduct the clinical trials.

Subd. 6. "Sponsor" means that individual or organization who, acting on behalf of the state, has the total responsibility for the state program.

Sec. 3. [RESEARCH GRANT.] The commissioner of health shall grant funds to the principal investigator selected by the commissioner pursuant to section 4 for the purpose of conducting a research program under a protocol approved by the FDA regarding the therapeutic use of oral THC and other dosage forms, if available, according to the guidelines and requirements of the federal food and drug administration, the drug enforcement administration and the national institute on drug abuse. The commissioner shall ensure that the research principal investigator complies with the requirements of section 5. The commissioner may designate the principal investigator as the sponsor.

The commissioner shall report to the legislature on January 1 of each odd-numbered year on the number of oncologists and patients involved in the program and the results available at that date regarding the effects of therapeutic use of THC on patients involved in the program. The commissioner shall also report on the current status of THC under the federal Food, Drug and Cosmetic Act and the federal Controlled Substances Act.

Sec. 4. [PRINCIPAL INVESTIGATOR.] Within three months of the effective date of sections 1 to 7, the commissioner shall, in consultation with a representative chosen by the state board of pharmacy and a representative chosen by the state board of medical examiners, select a person or research organization to be the principal investigator of the research program.

**Sec. 5. [DUTIES.]** The principal investigator shall:

(1) Apply to the Food and Drug Administration for a notice of "Claimed Investigational Exemption for a New Drug (IND)" pursuant to the Federal Food, Drug and Cosmetic Act, 21 U.S.C., Section 301, et seq., and shall comply with all applicable laws and regulations of the federal food and drug administration, the drug enforcement administration, and the national institute on drug abuse in establishing the program;

(2) Notify every oncologist in the state of the program, explain the purposes and requirements of the program to them, provide on request each of them with a copy of the approved protocol which shall include summaries of current papers in medical journals reporting on research concerning the safety, efficacy and appropriate use of THC in alleviating the nausea and emetic effects of cancer chemotherapy, and provide on request each of them with a bibliography of other articles published in medical journals;

(3) Allow each oncologist (clinical investigator) in the state who meets or agrees to meet all applicable federal requirements for investigational new drug research and who so requests to be included in the research program as a clinical investigator to conduct the clinical trials;

(4) Provide explanatory information and assistance to each clinical investigator in understanding the nature of therapeutic use of THC within program requirements, including the Informed Consent Document contained in the protocol, informing and counseling patients involved in the program regarding the appropriate use and the effects of therapeutic use of THC;

(5) Apply to contract with the national institute on drug abuse for receipt of dosage forms of THC, fully characterized as to contents and delivery to the human system, pursuant to regulations promulgated by the national institute on drug abuse, and the federal food and drug administration. The principal investigators shall ensure delivery of the THC dosages to clinical investigators as needed for participation in the program;

(6) Conduct the research program in compliance with federal laws and regulations promulgated by the federal food and drug administration, the drug enforcement administration, the national institute on drug abuse, and the purposes and provisions of sections 1 to 7;

(7) Submit periodic reports as determined by the commissioner on the numbers of oncologists and patients involved in the program and the results of the program;

(8) Submit reports on intermediate or final research results, as appropriate, to the major scientific journals in the United States; and

(9) Otherwise comply with the provisions of sections 1 to 7.

**Sec. 6. [EXEMPTION FROM CRIMINAL SANCTIONS.]**

For the purposes of sections 1 to 7, the following are not violations listed in sections 152.09 or 152.15:

- (1) Use or possession of THC, or both, by a patient in the research program;
- (2) Possession, prescribing use of, administering, or dispensing THC, or any combination of these actions, by the principal investigator or by any clinical investigator;
- (3) Possession or distribution of THC, or both, by a pharmacy registered to handle Schedule I substances which stores THC on behalf of the principal investigator or a clinical investigator.

THC obtained and distributed pursuant to sections 1 to 7 is not subject to forfeiture under section 152.19.

For the purposes of sections 1 to 7, THC is removed from Schedule I contained in section 152.02, subdivision 2, and inserted in Schedule II contained in section 152.02, subdivision 3.

Sec. 7. [CITATION.] Sections 1 to 7 may be cited as the "THC Therapeutic Research Act."

Sec. 8. [APPROPRIATION.] \$100,000 is appropriated from the general fund to the commissioner of health for the purposes of sections 1 to 7, to be available until June 30, 1981. The commissioner shall not use more than \$10,000 of this appropriation for administrative expenses.

Sec. 9. [EFFECTIVE DATE.] Sections 1 to 8 are effective the day following final enactment."

Amend the title as follows:

Page 1, delete lines 2 to 6 and insert

"relating to health; establishing a THC therapeutic research program in compliance with federal laws and regulations; directing the commissioner of health to make a grant; providing exemptions from criminal sanctions; appropriating money."

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1883: A bill for an act relating to public welfare; providing for a study of revisions to the nursing home rate reimbursement formula; providing for an information retrieval system; appropriating money; amending Minnesota Statutes 1978, Section 256B.47, by adding a subdivision.

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

Page 2, delete lines 22 to 25 and insert *"increases based on the Food at Home Index of the federal Bureau of Labor and update the total per diem food allowance in order to reconcile it with the 1980 Food at Home Index; and*

*(b) 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."*

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2049: A bill for an act relating to public health; providing for the establishment of programs for oral and dental health for nursing home residents; appropriating money.

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

Page 2, line 7, delete "update and revise" and insert "review"

Page 2, line 8, delete ", monitor their implementation, and" and insert "to insure their consistency with current oral health standards;"

Page 2, delete line 9

Page 2, line 10, delete "of,"

Page 2, line 10, delete "coordinate a" and insert "coordination of a"

Page 2, line 11, delete the comma

Page 2, line 11, after "profession" insert ", the nursing home industry"

Page 2, line 21, delete "local" and insert "resident"

Page 2, line 22, delete "health" and insert "care"

Page 2, line 22, after "to" insert "access and"

Page 2, line 23, delete the semicolon and insert "care and maintenance; and"

Page 2, line 25, delete "; and" and insert a period

Page 2, delete lines 26 to 30

Page 2, line 33, delete everything after "2" and insert ". The development and administration of the program shall be under a licensed dentist."

Page 3, delete lines 1 and 2

Page 3, line 5, delete "and shall submit to the" and insert a period

Page 3, delete lines 6 to 10

Page 3, line 13, delete "No"

Page 3, delete lines 14 to 16

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1690: A bill for an act relating to state departments; providing for the creation of a state employee assistance program in the department of administration; amending Minnesota Statutes 1978, Section 16.02, by adding a subdivision.

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

Page 1, line 13, delete "*spouses*" and insert "*dependents*"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2066: A bill for an act relating to retirement; contributions and benefits of judges and survivors under the uniform retirement and survivors' annuities law; amending Minnesota Statutes 1978, Sections 490.123, Subdivision 1; and 490.124, Subdivisions 1, 9 and 12.

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

Page 1, line 21, after "*payment*" insert "*a sum equal to one-half of one percent of salary, plus*"

Page 1, lines 22 and 23, reinstate the stricken language and delete the new language

Page 2, line 1, reinstate the stricken language

Page 2, line 2, reinstate "9" and before the period insert "*, but in aggregate not less than seven percent of salary*"

Pages 2 and 3, delete sections 3 and 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "*Subdivisions*" and insert "*Subdivision*" and delete "*, 9 and*"

Page 1, line 7, delete "12"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 210: A bill for an act relating to education; providing

and regulating certain mobility incentives for certain teachers in the community colleges and state universities; amending Minnesota Statutes 1978, Sections 354.094, Subdivisions 1, 2, 3 and 5; 354.66, Subdivisions 1, 2, 7, 9 and 10, and by adding subdivisions; and 354.69.

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

Pages 3 and 4, delete section 2

Page 5, line 5, delete "*of this act*"

Pages 5 and 6, delete section 5 and insert:

"Sec. 4. Minnesota Statutes, 1979 Supplement, Section 354.094, Subdivision 3, is amended to read:

Subd. 3. A member on extended leave of absence pursuant to section 125.60 *or section 1* who does not pay employee contributions into the fund in any year shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter and may not pay employee contributions into the fund in any subsequent year of the leave. Nonpayment of employee contributions into the fund shall not affect the rights or obligations of the *teacher member* or his *employing school district employer* under section 125.60."

Page 6, lines 11 and 19, delete "*of this act*"

Pages 6 and 7, delete section 10 and insert:

"Sec. 9. Minnesota Statutes, 1979 Supplement, Section 354.66, Subdivision 2, is amended to read:

Subd. 2. A teacher in the public elementary, secondary or area vocational-technical schools, *in the community college system or the state university system* of the state who has 20 years or more of allowable service or 20 years or more of full time teaching service in Minnesota public elementary, secondary and area vocational-technical schools may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part time teaching position."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete ", 3"

Page 1, line 7, delete "2,"

Page 1, line 8, delete "and" and before the period, insert "; Minnesota Statutes, 1979 Supplement, Sections 354.094, Subdivision 3; and 354.66, Subdivision 2"

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

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

S. F. No. 870: A bill for an act relating to eminent domain; eliminating mandatory purchases of land for high voltage transmission lines and plant sites; repealing Minnesota Statutes 1978, Section 116C.63, Subdivisions 4 and 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 116C.63, Subdivision 4, is amended to read:

Subd. 4. When *private real property* defined as class 3, 3b, 3c, 3cc, 3d, or 3f pursuant to section 273.13 is proposed to be acquired for the construction of a site or route by eminent domain proceedings, the ~~property fee owner~~, or when applicable, the fee owner with the written consent of the contract for deed vendee, or the contract for deed vendee with the written consent of the fee owner, shall have the option to require the utility to condemn a fee interest in any amount of contiguous, commercially viable land which he wholly owns or has contracted to own in undivided fee and elects in writing to transfer to the utility within 60 days after his receipt of the notice of the objects of the petition filed pursuant to section 117.055. Commercial viability shall be determined without regard to the presence of the utility route or site. The owner or, when applicable, the contract vendee shall have only one such option and may not expand or otherwise modify his election without the consent of the utility. The required acquisition of land contiguous to, but outside the designated right-of-way of a route or the boundary of a site, pursuant to this subdivision shall be considered an acquisition for a public purpose and for use in the utility's business, for purposes of chapter 117 and section 500.24, respectively; provided that a utility shall divest itself completely of all such lands used for farming or capable of being used for farming within five years after the date of acquisition, or such land shall be sold at a public sale in the manner prescribed by law for the foreclosure of a mortgage by action not later than the time it can receive the market value paid at the time of acquisition of lands less any diminution in value by reason of the presence of the utility route or site. Upon the owner's election made under this subdivision, the easement interest over and adjacent to the lands designated by the owner to be acquired in fee, sought in the condemnation petition for a high voltage transmission line right-of-way shall automatically be converted into a fee taking.

Sec. 2. Minnesota Statutes 1978, Section 116D.04, is amended by adding a subdivision to read:

Subd. 10. No attempt need be made to tabulate, analyze or otherwise evaluate the potential impact of elections made pursuant to section 116C.63, subdivision 4, in environmental impact statements done for large electric power facilities. It is sufficient for purposes of this chapter that such statements note the existence of section 116C.63, subdivision 4.

Sec. 3. Sections 1 and 2 are effective for any notice of the objects of the petition served after the day following final enactment."

Amend the title as follows:

Delete lines 2 to 6 and insert:

"relating to electric utilities; altering provisions for the required condemnation of lands contiguous to sites or routes of electric utilities; clarifying that certain required land condemnations need not be considered in environmental impact statements; amending Minnesota Statutes 1978, Sections 116C.63, Subdivision 4; and 116D.04, by adding a subdivision."

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

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was re-referred

S. F. No. 2044: A bill for an act relating to eminent domain; limiting the authority to acquire certain property by condemnation; repealing certain obsolete provisions of law authorizing acquisition by condemnation; amending Minnesota Statutes 1978, Sections 84.033; 84.154, Subdivision 3; 84A.10; 84A.39; 84A.55, Subdivision 13; 85.015, Subdivisions 12 and 13; 88.09, Subdivision 2; 89.032, Subdivision 1; 105.39, Subdivision 4; and 463.03; repealing Minnesota Statutes 1978, Sections 38.05; 117.31; 123.40, Subdivision 6; 161.29; 222.42; 308.39; and 643.06.

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

Page 3, line 30, reinstate "acquire by" and after "by" insert "*gift or*"

Page 5, line 2, strike everything after "thence"

Page 5, strike line 3

Page 5, line 4, strike everything before "southwesterly"

Page 5, line 5, strike "Blackberry" and insert "*Grand Rapids*"

Page 6, line 5, strike "or" and insert a comma

Page 6, line 6, after "on" insert "*or acquire by condemnation*"

Page 6, lines 11 and 12, reinstate the stricken language

Page 7, after line 9, insert:

"Sec. 11. Minnesota Statutes 1978, Section 123.64, is amended to read:

123.64 [AGRICULTURAL EDUCATION.] The board of any district in which instruction in agriculture is afforded is authorized and empowered to purchase or otherwise acquire by condemnation proceedings as provided for acquiring schoolhouse sites in the name and in behalf of such district, a suitable tract of land either

within or without the limits of such district to be used for the purpose of instruction, experimentation, and demonstration in agriculture. The provisions of this section shall apply as well to districts organized under special acts as under the general laws, notwithstanding any provisions or restrictions in the laws under which the same are organized.

Sec. 12. Minnesota Statutes 1978, Section 136.65, Subdivision 1, is amended to read:

**136.65 [COMMUNITY COLLEGE SITES, ACQUISITION.]**  
 Subdivision 1. A city, county, school district, or unorganized territory, or other body corporate and politic may, either jointly or severally, acquire by gift, or purchase, or ~~condemnation~~ a site for a community college if the site has been designated by the state board for community colleges as the site of a community college, and may convey any such site to the state of Minnesota for community college purposes. Any of the governmental instrumentalities named in this section may convey to the state board for community colleges for community college purposes any of its lands not needed for its purposes, if such lands are included in a site designated by the state board for community colleges as the site of a community college.

Sec. 13. Minnesota Statutes 1978, Section 137.01, Subdivision 2, is amended to read:

Subd. 2. [HOW USED.] If the purposes of the gift, grant, devise, or bequest are not otherwise limited by the donor, the University of Minnesota may use the same, or the proceeds thereof, for any of the purposes of the university and may, among other things, construct buildings and acquire lands. ~~In case it is desired to use the same for the acquisition of land, the power of eminent domain may be exercised in accordance with chapter 117.~~

Sec. 14. Minnesota Statutes 1978, Section 137.02, Subdivision 1, is amended to read:

**137.02 [POWERS AND DUTIES OF BOARD OF REGENTS.]**  
 Subdivision 1. [TRANSPORTATION BETWEEN UNIVERSITY CAMPUS AND FARM.] The board of regents is hereby authorized to provide adequate means for safe, convenient, and rapid transportation of persons, supplies, and materials between the university farm and the university campus and the transportation of persons from intermediate points to either the university campus or the university farm and from the university campus or university farm to intermediate points and for the transportation of supplies and materials to and from the university farm by means of a connection with the belt line railway operated by the Minnesota Transfer Railway Company; and to that end the board of regents is hereby authorized to acquire by gift, purchase, ~~condemnation~~, or otherwise such rights-of-way as may be deemed necessary and to construct, maintain, and operate lines of railway thereon and to make such contracts with any railway company for trackage rights, track connections, and motive power or for the hiring of rolling stock or for the operation of the same as may be

found necessary or expedient in carrying out the provisions of this subdivision. The board of regents shall prescribe the rate of fares which shall be charged for the transportation of persons, which fares when collected shall be kept in a separate fund and used to defray the expense of maintaining and operating such railway.

Sec. 15. Minnesota Statutes 1978, Section 137.02, Subdivision 3, is amended to read:

Subd. 3. [LAND ACQUISITION.] The board of regents may use any money not specifically appropriated for other purposes for acquiring land by purchase or condemnation. ~~In case it is desired to use the fund for the acquisition of land by eminent domain, the power of eminent domain shall be exercised in accordance with chapter 117.~~

Sec. 16. Minnesota Statutes 1978, Section 190.11, is amended to read:

190.11 [CAMP GROUNDS AND MILITARY RESERVATIONS.] The adjutant general shall have charge of the camp grounds and military reservations of the state and shall be responsible for the protection and safety thereof, and promulgate regulations for the maintenance of order thereon, for the enforcement of traffic rules and for all other lawful regulations as may be ordered for the operation, care and preservation of existing facilities and installations on all state military reservations.

He shall keep in repair all state buildings, and other improvements thereon, including water pipes laid by the state on highways leading thereto and of all military property connected with the grounds. He may make such further improvements thereon as the good of the service requires.

~~Private property may be acquired by condemnation, upon the application of the adjutant general, for camp ground, rifle range, and other military purposes. All damages, cost, and expense incurred in condemning such property shall be paid by the state treasurer, upon certificate of the adjutant general and warrant of the commissioner of finance, from any unexpended balance of the military fund after meeting the demands of the national guard.~~

Sec. 17. Minnesota Statutes 1978, Section 193.143, is amended to read:

193.143 [STATE ARMORY BUILDING COMMISSION, POWERS.] Such corporation, subject to the conditions and limitations prescribed in sections 193.141 to 193.149, shall possess all the powers of a body corporate necessary and convenient to accomplish the objectives and perform the duties prescribed by sections 193.141 to 193.149, including the following, which shall not be construed as a limitation upon the general powers hereby conferred:

(1) To acquire by lease, purchase, or gift or condemnation proceedings all necessary right, title and interest in and to the lands required for a site for a new armory and all other real or personal property required for the purposes contemplated by the

military code and to hold and dispose of the same, subject to the conditions and limitations herein prescribed; provided that any such real or personal property or interest therein may be so acquired or accepted subject to any condition which may be imposed thereon by the grantor or donor and agreed to by such corporation not inconsistent with the proper use of such property by the state for armory or military purposes as herein provided.

~~(2)~~ To exercise the right of eminent domain in the manner provided by chapter 117, for the purpose of acquiring any property which such corporation is herein authorized to acquire by condemnation; provided, that the corporation may take possession of any such property so to be acquired at any time after the filing of the petition describing the same in condemnation proceedings; provided further, that this shall not preclude the corporation from abandoning the condemnation of any such property in any case where possession thereof has not been taken.

~~(3)~~ (2) To construct and equip new armories as authorized herein; to pay therefor out of the funds obtained as hereinafter provided and to hold, manage, and dispose of such armory, equipment, and site as hereinafter provided. The total amount of bonds issued on account of such armories shall not exceed the amount of the cost thereof; provided also, that the total bonded indebtedness of the commission shall not at any time exceed the aggregate sum of \$4,500,000.

~~(4)~~ (3) To sue and be sued.

~~(5)~~ (4) To contract and be contracted with in any matter connected with any purpose or activity within the powers of such corporations as herein specified; provided, that no officer or member of such corporation shall be personally interested, directly or indirectly, in any contract in which such corporation is interested.

~~(6)~~ (5) To employ any and all professional and non-professional services and all agents, employees, workmen and servants necessary and proper for the purposes and activities of such corporation as authorized or contemplated herein and to pay for the same out of any portion of the income of the corporation available for such purposes or activities. The officers and members of such corporation shall not receive any compensation therefrom, but may receive their reasonable and necessary expenses incurred in connection with the performance of their duties; provided however, that whenever the duties of any member of the commission require his full time and attention the commission may compensate him therefor at such rates as it may determine.

~~(7)~~ (6) To borrow money and issue bonds for the purposes and in the manner and within the limitations herein specified, and to pledge any and all property and income of such corporation acquired or received as herein provided to secure the payment of such bonds, subject to the provisions and limitations herein prescribed, and to redeem any such bonds if so provided therein or in the mortgage or trust deed accompanying the same.

~~(8)~~ (7) To use for the following purposes any available moneys received by such corporation from any source as herein provided in excess of those required for the payment of the cost of such armory and for the payment of any bonds issued by the corporation and interest thereon according to the terms of such bonds or of any mortgage or trust deed accompanying the same:

(a) To pay the necessary incidental expenses of carrying on the business and activities of the corporation as herein authorized;

(b) To pay the cost of operating, maintaining, repairing, and improving such new armories;

(c) If any further excess moneys remain, to purchase upon the open market at or above or below the face or par value thereof any bonds issued by the corporation as herein authorized; provided, that any bonds so purchased shall thereupon be canceled.

~~(9)~~ (8) To adopt and use a corporate seal.

~~(10)~~ (9) To adopt all needful bylaws, rules, and regulations for the conduct of business and affairs of such corporation and for the management and use of all armories while under the ownership and control of such corporation as herein provided, not inconsistent with the use of such armory for armory or military purposes.

~~(11)~~ (10) Such corporation shall issue no stock.

~~(12)~~ (11) No officer or member of such corporation shall have any personal share or interest in any funds or property of the corporation or be subject to any personal liability by reason of any liability of the corporation.

~~(13)~~ (12) The Minnesota state armory building commission created under section 193.142 shall keep all moneys and credits received by it as a single fund, to be designated as the "Minnesota State Armory Building Commission Fund," with separate accounts for each armory; and the commission may make transfers of moneys from funds appertaining to any armory under its control for use for any other such armory; provided such transfers shall be made only from moneys on hand, from time to time, in excess of the amounts required to meet payments of interest or principal on bonds or other obligations appertaining to the armory to which such funds pertain and only when necessary to pay expenses of operation, maintenance and debt service of such other armory; provided further, no such transfer of any moneys paid for the support of any armory by the municipality in which such armory is situated shall be made by the commission.

~~(14)~~ (13) The corporation created under section 193.142 may designate one or more state or national banks as depositories of its funds, and may provide, upon such conditions as the corporation may determine, that the treasurer of the corporation shall be exempt from personal liability for loss of funds deposited in any such depository due to the insolvency or other acts or omissions of such depository.

~~(15)~~ (14) The governor is empowered to apply for grants of money, equipment and materials which may be made available to the states by the federal government for leasing, building and equipping armories for the use of the military forces of the state which are reserve components of the armed forces of the United States, whenever he is satisfied that the conditions under which such grants are offered by the federal government, are for the best interests of the state and are not inconsistent with the laws of the state relating to armories, and to accept such grants in the name of the state. The Minnesota state armory building commission is designated as the agency of the state to receive such grants and to use them for armory purposes as prescribed in this chapter, and by federal laws, and regulations not inconsistent therewith.

Sec. 18. Minnesota Statutes 1978, Section 193.144, Subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF SITE; CONVEYANCE TO CORPORATION.] If such county or municipality shall desire to have a new armory constructed, such county or municipality may secure by purchase, or gift, or ~~condemnation~~, and may convey to such corporation, a site for such new armory approved as suitable therefor by the adjutant general. In case such site or any part thereof or interest therein is owned or controlled by the board of park commissioners of such county or municipality or by any other governmental agency therein except the state or county or municipality, such board or other agency may convey the same by way of gift or sale to such corporation without charge.

Sec. 19. Minnesota Statutes 1978, Section 193.144, Subdivision 3, is amended to read:

Subd. 3. [OUTSTANDING OWNERSHIP OR INTEREST.] In case any person or corporation except such county, municipality or board of park commissioners or other governmental agency hereinbefore referred to shall own any lands required for such site, whether provided under subdivision 2 or under this section, or any interest in any such lands which would interfere with the use thereof by the state for armory or military purposes, such county or municipality or such board of park commissioners or other governmental agency may acquire such lands or interest by purchase, or gift, or ~~condemnation~~ and may convey the same by way of gift or sale to such corporation; provided, that notwithstanding any such outstanding ownership or interest, such corporation may, in its discretion, with the approval of the adjutant general, accept a conveyance of such lands and interests in lands for such site as may be owned or controlled by such county, municipality, board of park commissioners, or other governmental agency, and may acquire by purchase, or gift, or ~~condemnation~~ any further lands or interest in lands that may be required for such site.

Sec. 20. Minnesota Statutes 1978, Section 459.06, Subdivision 1, is amended to read:

459.06 [MUNICIPAL AND MEMORIAL FORESTS.] Subdi-

vision 1. [ACCEPT DONATIONS.] Any county, city, or town in this state, by resolution of the governing body thereof, may accept donations of land that such governing body may deem to be better adapted for the production of timber and wood than for any other purpose, for a forest, and may manage the same on forestry principles. The donor of not less than 100 acres of any such land shall be entitled to have the same perpetually bear his or her name. The governing body of any city, or town in this state, when funds are available or have been levied therefor, may, when authorized by a majority vote by ballot of the voters voting at any general or special city election or town meeting where such question is properly submitted, purchase or obtain by condemnation proceedings, and preferably at the sources of streams, any tract of land for a forest which is better adapted for the production of timber and wood than for any other purpose, and which is conveniently located for the purpose, and manage the same on forestry principles; the selection of such lands and the plan of management thereof shall have the approval of the director of lands and forestry. Such city or town is authorized to levy and collect an annual tax of not exceeding one and two-thirds mills on the dollar of its assessed real estate valuation, in addition to all other taxes authorized or permitted by law, to procure and maintain such forests."

Page 7, after line 14, insert:

"Sec. 22. Minnesota Statutes 1978, Section 641.263, Subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF SITE, BUILDINGS.] The regional jail board may lease suitable premises or acquire by gift, or purchase or condemnation proceedings instituted in the name of the county, a suitable site, and erect on the site buildings suitable for a regional jail. Condemnation proceedings shall be conducted in the manner provided in Minnesota Statutes 1961, Chapter 117. No premises shall be leased, site acquired, or building erected without the approval of the county board of each cooperating county."

Page 7, line 15, after the semicolon insert "85A.02, Subdivision 6;"

Page 7, line 16, after "Subdivision 6;" insert "123.63;" and after "161.29;" insert "193.144, Subdivision 4;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "changing certain obsolete language;"

Page 1, line 10, delete "and 463.03;" and insert "123.64; 136.65, Subdivision 1; 137.01, Subdivision 2; 137.02, Subdivisions 1 and 3; 190.11; 193.143; 193.144, Subdivisions 2 and 3; 459.06, Subdivision 1; 463.03; and 641.263, Subdivision 2;"

Page 1, line 11, after "38.05;" insert "85A.02, Subdivision 6;"

Page 1, line 12, after "Subdivision 6;" insert "123.63;" and after "161.29;" insert "193.144, Subdivision 4;"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2192: A bill for an act relating to local government: regulating financial reports of certain municipal hospitals and nursing homes; amending Minnesota Statutes, 1979 Supplement, Sections 471.697, Subdivision 1; and 471.698, Subdivision 1.

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

Page 2, line 21, after "1979" insert "*whose fiscal year is not a calendar year at the time of the effective date of this act*"

Page 2, delete lines 22 and 23 and insert "*shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of*"

Page 2, line 24, delete everything after "year" and insert a period

Page 2, line 25, delete everything before the period and insert "*It may also submit a summary financial report for the calendar year*"

Page 3, line 33, after "1979" insert "*whose fiscal year is not a calendar year at the time of the effective date of this act*"

Page 4, delete lines 1 and 2 and insert "*shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of*"

Page 4, line 3, delete everything after "year" and insert a period

Page 4, line 4, delete everything before the period and insert "*It may also submit a summary financial report for the calendar year*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1549: A bill for an act relating to real estate; increasing certain fees charged by the county recorder and registrar of titles; amending Minnesota Statutes 1978, Sections 357.18, Subdivision 1; and 508.82.

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

Mr. Davies from the Committee on Judiciary, to which was referred

**S. F. No. 1677:** A bill for an act relating to landlords and tenants; clarifying certain duties of landlords and tenants in relation to the return of security deposits; amending Minnesota Statutes 1978, Section 504.20, Subdivision 3.

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

Mr. Davies from the Committee on Judiciary, to which was referred

**S. F. No. 2202:** A bill for an act relating to legal services; providing that the attorney general shall render bond counsel services to state agencies and political subdivisions; appropriating money.

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

Mr. Davies from the Committee on Judiciary, to which was referred

**S. F. No. 2264:** A bill for an act relating to delivery or filing of documents; providing for timely delivery or filing of certain documents with respect to weekends and holidays; amending Minnesota Statutes 1978, Chapter 645, by adding a section.

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

Mr. Davies from the Committee on Judiciary, to which was referred

**S. F. No. 1815:** A bill for an act relating to commerce; providing for service of legal process on nonresident brokers and salespersons licensed to do business in Minnesota; amending Minnesota Statutes 1978, Section 82.31, Subdivision 3.

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

Mr. Davies from the Committee on Judiciary, to which was referred

**S. F. No. 1836:** A bill for an act relating to courts; second judicial district; providing for the appointment of the juvenile court clerk; amending Laws 1951, Chapter 653, Section 1, as amended.

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

Mr. Wegener from the Committee on Local Government, to which was referred

**S. F. No. 1870:** A bill for an act relating to local government; permitting subdivision regulation of unplatted parcels; amending Minnesota Statutes 1978, Section 462.358, by adding a subdivision.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2288: A bill for an act relating to the city of Fertile; authorizing the issuance of bonds authorized at a special election.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2153: A bill for an act relating to local government; clarifying basis for certain sewer charges; amending Minnesota Statutes 1978, Section 444.075, Subdivision 3.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2265: A bill for an act relating to the city of Bloomington; permitting the establishment of a port authority.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2280: A bill for an act relating to local government; permitting the acquisition and financing of data processing equipment by Local Government Information Systems and its members.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2042: A bill for an act relating to the port authority of Winona; providing powers and conditions of debt; amending Laws 1967, Chapter 541, Section 1, as amended.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2318: A bill for an act relating to counties; removing a limit on certain park maintenance expenses; amending Minnesota Statutes 1978, Section 375.26.

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

Page 1, line 20, strike "Such" and insert "The"

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2283: A bill for an act relating to local improvements; providing for certain hearings and appeals on special assessments; amending Minnesota Statutes 1978, Sections 429.061, Subdivisions 1 and 2; and 429.081.

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

Page 3, line 1, insert a comma after "person" and after "owner"

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1207: A bill for an act relating to education; authorizing the state board for community colleges to contract for certain insurance coverage for students; amending Minnesota Statutes 1978, Section 136.62, by adding a subdivision.

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1861: A bill for an act relating to education; changing the term "community schools" to "community education"; amending Minnesota Statutes 1978, Sections 120.76; 121.85; 121.86; 121.87; 121.88, Subdivisions 1, 2 and 3; and 124.271, Subdivision 4; Minnesota Statutes, 1979 Supplement, Sections 3.9279, Subdivision 7; 124.271, Subdivisions 1a, 2 and 5; and 275.125, Subdivision 8.

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2220: A bill for an act relating to education; adding the commissioner of agriculture to the equalization aid review committee; amending Minnesota Statutes 1978, Section 124.212, Subdivision 10.

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1909: A bill for an act relating to banks and banking; removing certain restrictions on services that may be offered at detached facilities; amending Minnesota Statutes 1978, Section 47.53.

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

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2137: A bill for an act relating to the Knife Lake Improvement District in Kanabec County; authorizing Kanabec County to finance the cost of a certain improvement within the district.

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

Page 1, line 10, delete "378.56" and insert "378.57"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1865: A bill for an act relating to motor vehicles; clarifying penalty provisions for certain traffic violations; clarifying provisions which prohibit the operation of a motor vehicle while a driver's license is revoked or suspended; amending Minnesota Statutes 1978, Sections 169.141, Subdivision 2; 169.89, Subdivision 1; 171.20, Subdivision 2; and 171.24.

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

Page 2, line 25, after "*misdemeanor*" insert "*or misdemeanor*"

Page 3, after line 18, insert:

"Sec. 5. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2036: A bill for an act relating to courts; providing that courts may acquire electronic data processing services through supreme court contracts; amending Minnesota Statutes 1978, Chapter 480, by adding a section.

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

Page 1, line 19, after the period insert "*The state court administrator shall grant this authority only pursuant to the implementation of justice information systems compatible with systems participating in the Minnesota criminal justice information systems communications network administered by the department of public safety.*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1931: A bill for an act relating to children; providing for venue for child custody proceedings; amending Minnesota Statutes, 1979 Supplement, Section 518.156, Subdivision 1.

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

Page 1, line 19, after "petition" insert "*or motion*"

Page 2, line 2, after "petition" insert "*or motion*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1867: A bill for an act relating to occupations and professions; allowing legal education courses to substitute for real estate education courses under certain circumstances; amending Minnesota Statutes 1978, Section 82.22, Subdivision 13.

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

Page 2, delete line 12

Page 2, line 13, delete "*shall allow*"

Page 2, line 15, delete "*to*" and insert "*may*"

Page 2, after line 18, insert:

*"Sec. 2. This act applies to all hours of continuing legal education earned from and after July 1, 1978."*

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1826: 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, 1979 Supplement, Section 524.3-706.

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

Page 1, lines 17 to 19, reinstate the stricken language

Page 2, lines 2 to 7, delete the new language

Amend the title as follows:

Page 1, line 3, delete "and procedures"

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

Mr. Davies from the Committee on Judiciary, to which was re-referred

S. F. No. 992: A bill for an act relating to intoxicating liquor; requiring proof of financial responsibility; amending Minnesota Statutes 1978, Sections 340.11, by adding a subdivision; 340.12; and 340.353, by adding a subdivision.

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

Page 1, line 13, delete "1980" and insert "1981"

Page 6, lines 30 and 33, delete "1980" and insert "1981"

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

Mr. Hughes from the Committee on Education, to which was re-referred

H. F. No. 870: A bill for an act relating to education; requiring that certain schools provide a prospective student with a school catalog before accepting the student; providing in certain cases for tuition refunds from private business, trade, and correspondence schools that do not use written contracts; providing for certain exemptions under the private business, trade and correspondence school act; amending Minnesota Statutes 1978, Sections 141.25, Subdivision 9; 141.271, Subdivision 3, and by adding a subdivision; and 141.35.

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

Page 4, line 25, delete "even if" and insert "regardless of whether"

Page 5, line 9, after "agency" insert "known to the school to be"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1832: A bill for an act relating to public utilities and

telephone companies; regulating delinquency charges on customer or subscriber accounts.

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

Page 2, line 1, delete "be"

Page 2, delete lines 2 and 3

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1031: A bill for an act relating to education; providing for a center for the older adult learner and for an advisory council on the older adult learner; appropriating money; amending Minnesota Statutes 1978, Section 256.975, Subdivision 2; and Chapter 121, by adding sections.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.881] [CENTER FOR OLDER ADULT LEARNERS.]  
*Subdivision 1. [DEFINITION.] "Older adult learner" means a learner age 55 or over.*

*Subd. 2. [CREATION; OFFICES; PURPOSES.] There is hereby created a center for older adult learners. It shall be associated with an educational institution. The center shall provide technical assistance, resource materials, counseling services, training, and research on the educational needs and opportunities of older adult learners at all educational institutions in this state.*

*Subd. 3. [ADMINISTRATION.] The center shall be governed by the Minnesota board on aging pursuant to section 256.975, subdivision 2, clause (h).*

*Subd. 4. [STAFF, EXPENSES.] The board on aging may make contracts and award grants in aid to accomplish the purposes of this section. No more than five percent of the annual amount appropriated for the center may be used for administrative costs.*

Sec. 2. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.882] [ADVISORY COUNCIL ON THE OLDER ADULT LEARNER.]  
*Subdivision 1. "Older adult learner" means a learner age 55 or over.*

*Subd. 2. There is hereby created an advisory council on the older adult learner. The advisory council shall consist of the following members or their designees: the executive secretary of the*

*Minnesota board on aging; the president of the University of Minnesota; the chancellor of the state university system; the chancellor of the community college system; the executive director of the Minnesota private college council; the commissioner of education; the executive director of the higher education coordinating board; and two older adult learners appointed by the Minnesota board on aging.*

*Subd. 3. The terms, compensation, removal of members and filling of vacancies on the council shall be as provided in section 15.059.*

*Subd. 4. The advisory council shall advise the Minnesota board on aging on the following: (a) the status and operation of the center for the older adult learner, (b) the educational needs of older citizens, (c) the educational needs of all citizens regarding the aging process, and (d) the availability of educational services for older citizens. The board on aging shall make an annual report to the legislature and the governor on the activities of the advisory council and the center for the older adult learner. It shall submit copies of the report to the higher education coordinating board and the department of education.*

*Subd. 5. The staff of the center for the older adult learner shall assist the advisory council in the performance of its duties and the issuing of its report.*

**Sec. 3. Minnesota Statutes 1978, Section 256.975, Subdivision 2, is amended to read:**

**Subd. 2. [DUTIES.] The board shall carry out the following duties:**

**(a) to advise the governor and heads of state departments and agencies regarding policy, programs, and services affecting the aging;**

**(b) to provide a mechanism for coordinating plans and activities of state departments and citizens' groups as they pertain to aging;**

**(c) to create public awareness of the special needs and potentialities of older persons;**

**(d) to gather and disseminate information about research and action programs, and to encourage state departments and other agencies to conduct needed research in the field of aging;**

**(e) to stimulate, guide, and provide technical assistance in the organization of local councils on aging;**

**(f) to provide continuous review of ongoing services, programs and proposed legislation affecting the elderly in Minnesota; and**

**(g) to administer and to make policy relating to all aspects of the Older Americans Act of 1965, as amended, including implementation thereof; and**

**(h) to govern the center for older adult learners established pursuant to section 1.**

Sec. 4. [APPROPRIATION.] *The sum of \$100,000 is appropriated from the general fund to the Minnesota board on aging for the purposes of sections 1 to 3 and shall be available until June 30, 1981.*"

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

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1904: A bill for an act relating to Independent School District No. 535, Rochester; providing that its school board may organize at a time other than the time required for the organization of the board of an independent district; amending Laws 1969, Chapter 193, Section 3, as amended.

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1795: A bill for an act relating to children; authorizing a multi-purpose declaration of parentage; amending Minnesota Statutes 1978, Chapter 257, by adding a section.

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

Page 1, line 14, delete "*borne by*" and insert "*born to*"

Page 1, line 14, after "*mother*" insert "*within ten months*"

Page 2, delete lines 16 to 24

Page 2, line 25, delete everything after "*Subd.*" and insert "*2.*"

Page 2, line 26, after "*be*" insert "*filed with the division of vital statistics of the department of health and upon filing shall be effective on the date of filing and shall be*"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1984: A bill for an act relating to attachment, garnishment and executions; exempting certain insurance contracts and rights of action from garnishment or attachment; amending Minnesota Statutes 1978, Section 550.37, by adding subdivisions.

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

Page 1, line 12, delete the first "*or*" and insert "*of*"

Page 1, line 15, delete "and" and insert "in"

Page 1, after line 18, insert:

*"Subd. 23. The debtor's right to receive a payment under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor."*

Amend the title as follows:

Page 1, line 3, after "contracts" insert ", employee benefits"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 2161: A bill for an act relating to financial institutions; authorizing examinations of certain bank holding companies; providing for the institution of cease and desist proceedings and the issuance of temporary orders; amending Minnesota Statutes 1978, Section 46.24; and Minnesota Statutes, 1979 Supplement, Section 46.04.

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

Page 2, line 27, strike "shall limit" and insert "limits"

Page 3, line 24, strike "such"

Page 3, line 26, strike "such" and insert "any"

Page 3, line 33, delete "shall have" and insert "has"

Page 5, line 11, strike "shall be" and insert "are"

Page 5, lines 29 and 32, strike "shall become" and insert "is"

Page 5, line 33, strike "shall remain" and insert "remains"

Page 6, line 23, delete "shall become" and insert "becomes"

Page 6, line 28, delete "shall remain" and insert "remains"

Page 7, line 14, delete "shall have" and insert "has"

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 2193: A bill for an act relating to commerce; establishing certain time price differentials on retail installment sales of mobile homes; amending Minnesota Statutes 1978, Section 168.72.

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

Page 2, line 1, strike "such"

Page 2, line 2, strike "Such" and insert "The"

Page 2, lines 13 and 16, strike "shall be" and insert "is"

Page 2, line 23, before "The" insert "(a) Notwithstanding any other law to the contrary"

Page 2, line 26, delete "the following"

Page 2, delete lines 27 to 29

Page 2, line 30, delete everything before "12"

Page 3, delete lines 3 to 13 and insert:

*"(b) This subdivision supersedes the provisions of subdivision 3 for purposes of determining the lawful time price differential in a retail installment sale of a mobile home if the sale is made between the effective date of this subdivision and July 31, 1983.*

*Subd. 3. A sale of a mobile home made after July 31, 1983, is governed by the provisions of subdivision 1 for purposes of determining the lawful time price differential rate. A retail installment sale of a mobile home that imposes a time price differential rate that is greater than the rate permitted by this subdivision is lawful if the rate was lawful when the sale was made."*

Page 3, line 15, after the period insert "Section 1, subdivision 2, is repealed July 31, 1983."

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

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1562: A bill for an act relating to usury; changing the penalty for usurious loans made by state banks and savings banks; amending Minnesota Statutes 1978, Sections 334.02; 334.03; and Chapter 48, by adding a section.

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

Page 1, line 14, after "state" insert "or by a federally chartered savings and loan association, a savings association organized under chapter 51A, a federally chartered credit union, or a credit union organized under chapter 52"

Page 1, line 20, delete "back"

Page 1, line 21, delete everything after the comma and insert "an amount not exceeding five times the amount by which the rate charged exceeds the lawful rate and which is to be paid during the entire period of the obligation,"

Page 1, delete line 22

Page 2, line 1, after the period, insert "If the loan or forbearance

*is for an indeterminate period, the damages recoverable under this section shall be an amount not exceeding five times the excess rate for a presumed period of one year or five times the excess interest paid or incurred, whichever is greater."*

Page 2, line 14, after "state" insert "or by a federally chartered savings and loan association, a savings association organized under chapter 51A, a federally chartered credit union, or a credit union organized under chapter 52"

Page 2, line 15, delete "or" and insert a comma

Page 2, line 15, before "is" insert ", federal savings association, a state savings association, a federal or state credit union"

Page 3, line 15, after "state" insert "or by a federally chartered savings and loan association, a savings association organized under chapter 51A, a federally chartered credit union, or a credit union organized under chapter 52"

Page 3, line 15, delete "or" and insert a comma

Page 3, line 16, before "is" insert ", federal savings association, a state savings association. a federal or state credit union"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1801: A bill for an act relating to the family; changing certain procedures and criteria for termination of parental rights; amending Minnesota Statutes 1978, Sections 260.221; 260.241, Subdivisions 1 and 2; and Chapter 260, by adding a section.

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

Page 2, line 16, after "has" insert "continuously"

Page 3, line 32, after "that" insert "a parent whose parental rights are terminated shall remain liable for the unpaid balance of"

Page 3, line 32, delete "existing" and insert "owed under a court order upon"

Page 3, line 33, delete "prior to"

Page 4, line 1, delete "shall not be severed or terminated"

Page 5, line 3, delete ", or of the"

Page 5, line 4, delete "mother if the child is illegitimate,"

Page 5, line 4, after "only" insert "known"

Page 5, line 5, after "order" insert "the" and after "and" insert "the"

Page 5, line 9, delete everything after "(c)" and insert "An individual who is willing and capable of assuming the appropriate duties and responsibilities to the child."

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

Mr. Coleman from the Committee on Rules and Administration, to which were referred H. F. Nos. 1488 and 2110 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
				1488	1449
				2110	1812

and that the above Senate Files be indefinitely postponed.

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

Mr. Coleman from the Committee on Rules and Administration, to which was referred H. F. No. 1623 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1623	1588				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1623 be amended as follows:

Page 3, line 25, delete "are" and insert "shall be"

Page 3, line 26, delete ". This" and insert ", which"

Page 3, line 29, delete "a year" and insert "per annum"

Page 4, line 30, delete "is" and insert "shall be"

Page 5, line 11, delete "is" and insert "shall be"

And when so amended H. F. No. 1623 will be identical to S. F. No. 1588, and further recommends that H. F. No. 1623 be given its second reading and substituted for S. F. No. 1588, and that the Senate File be indefinitely postponed.

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

Mr. Coleman from the Committee on Rules and Administration, to which was referred H. F. No. 1427 for comparison with companion Senate File, reports the following House File was found

identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1427	1536				

and that the above Senate File be indefinitely postponed.

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

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1601 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1601	1579				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1601 be amended as follows:

Page 1, line 15, delete "*for the purpose of attending*" and insert "*to attend*"

Page 1, line 16, delete "*party officers*" and insert "*state central committee or executive committee*"

Page 1, lines 16 and 17, delete "*at the congressional district, state, county or federal level,*"

Page 1, line 18, delete "*an officer of that party at that level*" and insert "*a member of the committee*"

Page 1, line 19, delete "*state or national*"

Page 1, line 20, after "*delegates*" insert "*including meetings of official convention committees*"

Amend the title as follows:

Page 1, lines 2 and 3, delete "*party officers and delegates and alternate*" and insert "*members of political party committees and*"

And when so amended H. F. No. 1601 will be identical to S. F. No. 1579, and further recommends that H. F. No. 1601 be given its second reading and substituted for S. F. No. 1579, and that the Senate File be indefinitely postponed.

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

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1993, 1028, 1914, 1950, 2101, 1877, 1695, 1332, 1698, 1964, 2245, 2234, 2195, 2156, 2190, 1794, 802, 1636, 1601, 1430, 2166, 1654, 2083, 2071, 1803, 2146, 336, 2059 and 2119 and H. F. No. 924 makes the following report:

That the above Senate Files and House File be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

#### APPOINTMENTS

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

S. F. No. 1584: Messrs. Willet, Johnson and Rued.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1815, 1836, 2036 and 1904 were read the second time.

S. F. Nos. 1962, 2099, 1690, 2066, 210, 870, 2044, 2192, 1549, 1677, 2264, 1870, 2288, 2153, 2265, 2280, 2042, 2318, 2283, 1207, 1861, 2220, 1909, 2137, 1865, 1931, 1867, 1826, 992, 1832, 1795, 1984, 2161, 2193, 1562 and 1801 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 1488, 2110, 1623, 1427 and 1601 were read the second time.

H. F. No. 870 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Sikorski moved that the name of Mr. Hughes be added as co-author to S. F. No. 1433. The motion prevailed.

Mr. Schaaf moved that the name of Mr. Penny be added as co-author to S. F. No. 1608. The motion prevailed.

Mr. Spear moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1658. The motion prevailed.

Mr. Spear moved that the name of Mr. Merriam be added as co-author to S. F. No. 1661. The motion prevailed.

Mr. Penny moved that his name be added as co-author to S. F. No. 2142. The motion prevailed.

Mr. Hanson moved that the name of Mr. Ulland, J. be added as co-author to S. F. No. 2352. The motion prevailed.

Mr. Coleman moved that H. F. No. 1904 be withdrawn from the Subcommittee on Bill Scheduling and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

S. F. No. 273 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 273

A bill for an act relating to commerce; providing a floating usury rate for contracts for deed on residential property; amending Minnesota Statutes 1978, Section 47.20, Subdivisions 2 and 4, and by adding a subdivision.

March 10, 1980

The Honorable Edward J. Gearty  
President of the Senate

The Honorable Fred C. Norton  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 273, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 273 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes, 1979 Supplement, Section 47.20, Subdivision 2, is amended to read:

Subd. 2. For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) “Actual closing costs” mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional loan.

(d) Appraisal and survey of real property securing a conventional loan.

(e) A single service charge, which ~~shall include~~ *includes* any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional loan, and ~~shall also include~~ *includes* any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows ~~such~~ *the* commitment. The term service charge ~~shall does~~ not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real property securing a conventional loan or the closing of a conventional loan paid by the borrower and received by any party other than the lender.

(2) "*Contract for deed*" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$100,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

~~(2)~~ (3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration. The term mortgage ~~shall does~~ not include contracts for deed or installment land contracts.

~~(3)~~ (4) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of apartments as defined in section 515.02 to be created

out of existing structures pursuant to the Minnesota condominium act, provided that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

~~(4)~~ (5) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional loan is made following issuance of and pursuant to the commitment, the conventional loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

~~(5)~~ (6) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue such *the* borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

~~(6)~~ (7) "Finance charge" means the total cost of a conventional loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional loan or against a seller of real property securing a conventional loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional loan.

~~(7)~~ (8) "Lender" means any person making a conventional loan, or any person arranging financing for a conventional loan. The term shall also include *includes* the holder or assignee at any time of a conventional loan.

~~(8)~~ (9) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c) and (d) of Regulation Z, 12 C.F.R. section 226, but using the definition of finance charge provided for in this subdivision.

~~(9)~~ (10) "Monthly index of long term United States government bond yields" means the monthly unweighted average of the daily unweighted average of the closing bid yield quotations in the over the counter market for all outstanding United States treasury bond issues, based on available statistics, which are either maturing or callable in ten years or more. This index is expressed in terms of percentage interest per annum.

~~(10)~~ (11) "Monthly index of the federal national mortgage association auction yields" means the gross weighted average yield of accepted offers in the second free market system conventional home mortgage auction held by the federal national mortgage association in a month.

~~(11)~~ (12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

~~(12)~~ (13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and ~~shall include~~ *includes* a unit in a townhouse or planned unit development, a condominium apartment, a non-owner occupied residence, and any other type of residence regardless of whether such unit is used as a principal residence, secondary residence, vacation residence or residence of some other denomination.

(14) "*Vendor*" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 47.20, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of section 334.01, lenders are authorized to make conventional loans and purchases of obligations representing conventional loans pursuant to such rules as the commissioner of banks finds to be necessary and proper, if any, at an interest rate not in excess of the maximum lawful interest rate prescribed in subdivision 4 or 4a. *Contract for deed vendors are authorized to charge interest on contracts for deed at an interest rate not in excess of the maximum lawful interest rate prescribed in subdivision 4 or 4a.*

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 47.20, Subdivision 4, is amended to read:

Subd. 4. No conventional loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate which ~~shall be~~ *is* based upon the monthly index of long term United States government bond yields as compiled by the United States treasury department and published by the department in the monthly treasury bulletin. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional loan or contract for deed made or contracted for during any calendar month ~~shall be~~ *is* equal to the monthly index of long term United States government bond yields for the second preceding calendar

month plus an additional two percent per annum rounded off to the nearest quarter of one percent per annum or rounded off to the highest quarter of one percent per annum if equidistant.

(2) On or before the 20th day of each month the commissioner of banking shall determine, based on available statistics, the monthly index of long term United States government bond yields for the preceding calendar month and shall determine the maximum lawful rate of interest for conventional loans *or contracts for deed* for the next succeeding month, as defined in clause (1) and shall cause the maximum lawful rate of interest to be published in a legal newspaper in Ramsey County on or before the 20th day of each month and in the state register on or before the last day of each month; the maximum lawful rate of interest to be effective on the first day of the next succeeding month.

(3) A contract rate within the maximum lawful interest rate applicable to a conventional loan *or contract for deed* at the time the loan is made shall be the maximum lawful interest rate for the term of the conventional loan *or contract for deed*.

(4) *Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional loans made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of (a) an existing conventional loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers home administration, or (c) a contract for deed by making a conventional loan shall be is deemed to be a new conventional loan for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment shall be is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment shall be is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or his authorized agent.*

(5) *A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's*

interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, issued on or before July 31, 1983 at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made ~~shall continue~~ *continues* to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

(6) This subdivision expires July 31, 1983.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 47.20, Subdivision 4a, is amended to read:

Subd. 4a. No conventional loan *or contract for deed* shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate which shall be based upon the monthly index of the federal national mortgage association auction yields as compiled by the federal national mortgage association. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional loan *or contract for deed* made or contracted for during any calendar month shall be *is* equal to the monthly index of the federal national mortgage association auction yields for the first preceding calendar month rounded off to the next highest quarter of one percent per annum.

(2) On or before the last day of each month the commissioner of banking shall determine, based on available statistics, the monthly index of the federal national mortgage association auction yields for that calendar month and shall determine the maximum lawful rate of interest for conventional loans *or contracts for deed* for the next succeeding month, as defined in clause (1) and shall cause the maximum lawful rate of interest to be published in a legal newspaper in Ramsey County on or before the first day of each month or as soon thereafter as practicable and in the state register on or before the last day of each month; the maximum lawful rate of interest to be effective on the first day of that month. If a federal national mortgage association free market system conventional home mortgage auction is not held in any month, the maximum lawful rate of interest determined by the commissioner of banks pursuant to the last auction shall be *is* the maximum lawful rate of interest through the last day of the month in which the next auction is held.

(3) A contract rate within the maximum lawful interest rate applicable to a conventional loan *or contract for deed* at the time the loan is made shall be *is* the maximum lawful interest rate for the term of the conventional loan *or contract for deed*.

(4) *Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for*

conventional loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the *contract for deed* or conventional loan is actually *executed* or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of (a) an existing conventional loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers home administration, or (c) a contract for deed by making a conventional loan shall be is deemed to be a new conventional loan for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment shall be is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment shall be is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or his authorized agent.

(5) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, issued on or before November 30, 1982, at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made shall ~~continue~~ continue to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

(6) This subdivision supersedes subdivision 4 from May 31, 1979 until November 30, 1982.

(7) This subdivision expires November 30, 1982.

Sec. 5. Minnesota Statutes 1978, Section 47.20, is amended by adding a subdivision to read:

*Subd. 13a. Any contract for deed having an interest rate in excess of the maximum lawful interest rate provided for in subdivision 4 or 4a as applicable is usurious. No contract for deed is unenforceable solely because the interest rate thereon is usurious. Persons who have paid usurious interest may recover an amount not to exceed five times the usurious portion of the interest paid under the contract for deed plus attorneys' fees from the person to*

*whom the interest has been paid. The penalty provisions of chapter 334, do not apply to usurious contracts for deed.*

Sec. 6. Minnesota Statutes 1978, Section 559.21, is amended to read:

559.21 [TERMINATION OF CONTRACT OF SALE; NOTICE, SERVICE AND RETURN, COSTS, REINSTATEMENT.] *Subdivision 1.* When default is made in the conditions of any contract for the conveyance of real estate or any interest therein *executed prior to May 1, 1980*, whereby the vendor has a right to terminate the same, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that ~~such the~~ contract will terminate (1) 30 days after the service of ~~such the~~ notice if the purchaser has paid less than 30 percent of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 45 days after service of ~~such the~~ notice if the purchaser has paid 30 percent, or more, but less than 50 percent of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 60 days after service of ~~such the~~ notice if the ~~vendee purchaser~~ purchaser has paid 50 percent, or more, of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser ~~shall comply~~ complies with ~~such the~~ conditions and ~~pay~~ pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$75 when the amount in default is less than \$750, and of \$200 when the amount in default is \$750 or more; provided, however, that no amount ~~shall be~~ is required to be paid for attorneys' fees as provided hereunder, unless some part of the conditions of default ~~shall have~~ has existed at least 45 days prior to the date of service of ~~said the~~ notice.

*Subd. 2.* When default is made in the conditions of any contract for the conveyance of real estate or any interest therein *executed on or after May 1, 1980*, whereby the vendor has a right to terminate the same, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than 10 percent of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 60 days after service of the notice if the purchaser has paid 10 percent, or more, but less than 25 percent of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 90 days after service of the notice if the purchaser has paid 25 percent, or more, of the purchase price, exclusive of interest thereon, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser com-

plies with the conditions and makes all payments due and owing to the vendor under the contract through the date payment is made and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$125 when the amount in default is less than \$750, and of \$250 when the amount in default is \$750 or more; provided, however, that no amount is required to be paid for attorneys' fees as provided hereunder, unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

**Subd. 3. [DEFINITION OF NOTICE.]** For purposes of this section, the term "notice" means a writing stating the information required in this section, stating the name, address and telephone number of the vendor or of an attorney authorized by the vendor to accept payments pursuant to the notice and the fact that the person named is authorized to receive the payments, and including the following information in 12 point or larger bold type or in large legible handwritten letters:

(a) For contracts executed prior to May 1, 1980:

**THIS NOTICE IS TO INFORM YOU THAT BY THIS NOTICE THE SELLER HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, SECTION 559.21, TO TERMINATE YOUR CONTRACT FOR DEED FOR THE REASONS SPECIFIED IN THIS NOTICE. THE CONTRACT WILL TERMINATE . . . . DAYS AFTER [SERVICE OF THIS NOTICE UPON YOU] [THE FIRST DATE OF PUBLICATION OF THIS NOTICE] UNLESS BEFORE THEN THE PERSON AUTHORIZED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU THE AMOUNT THIS NOTICE SAYS YOU OWE PLUS THE COSTS OF SERVICE OF THIS NOTICE TOGETHER WITH THE MORTGAGE REGISTRATION TAX OF \$ . . . . . AND \$ . . . . . TO APPLY TO ATTORNEYS' FEES ACTUALLY EXPENDED OR INCURRED; OR UNLESS BEFORE THEN YOU SECURE FROM A COUNTY OR DISTRICT COURT AN ORDER THAT THE TERMINATION OF THE CONTRACT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES. IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR CONTRACT WILL TERMINATE AT THE END OF THE PERIOD AND YOU WILL LOSE ALL THE MONEY YOU HAVE PAID ON THE CONTRACT; YOU WILL LOSE YOUR RIGHT TO POSSESSION OF THE PROPERTY; YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE; AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY.**

(b) For contracts executed on or after May 1, 1980:

**THIS NOTICE IS TO INFORM YOU THAT BY THIS NOTICE THE SELLER HAS BEGUN PROCEEDINGS UNDER MINNESOTA STATUTES, SECTION 559.21, TO TERMINATE YOUR CONTRACT FOR DEED FOR THE REASONS SPECIFIED IN THIS NOTICE. THE CONTRACT WILL TERMINATE . . . . DAYS AFTER [SERVICE OF THIS NOTICE UPON YOU] [THE FIRST DATE OF PUBLICATION OF THIS NOTICE] UNLESS BEFORE THEN THE PERSON AUTHORIZED IN THIS NOTICE TO RECEIVE PAYMENTS RECEIVES FROM YOU THE AMOUNT THIS NOTICE SAYS YOU OWE PLUS ANY ADDITIONAL PAYMENTS DUE UNDER THE CONTRACT TO THE SELLER SINCE THE NOTICE WAS SERVED PLUS THE COSTS OF SERVICE OF THIS NOTICE TOGETHER WITH THE MORTGAGE REGISTRATION TAX OF \$. . . . AND \$. . . . TO APPLY TO ATTORNEYS' FEES ACTUALLY EXPENDED OR INCURRED; OR UNLESS BEFORE THEN YOU SECURE FROM A COUNTY OR DISTRICT COURT AN ORDER THAT THE TERMINATION OF THE CONTRACT BE SUSPENDED UNTIL YOUR CLAIMS OR DEFENSES ARE FINALLY DISPOSED OF BY TRIAL, HEARING OR SETTLEMENT. YOUR ACTION MUST SPECIFICALLY STATE THOSE FACTS AND GROUNDS THAT DEMONSTRATE YOUR CLAIMS OR DEFENSES. IF YOU DO NOT DO ONE OR THE OTHER OF THE ABOVE THINGS WITHIN THE TIME PERIOD SPECIFIED IN THIS NOTICE, YOUR CONTRACT WILL TERMINATE AT THE END OF THE PERIOD AND YOU WILL LOSE ALL THE MONEY YOU HAVE PAID ON THE CONTRACT; YOU WILL LOSE YOUR RIGHT TO POSSESSION OF THE PROPERTY; YOU MAY LOSE YOUR RIGHT TO ASSERT ANY CLAIMS OR DEFENSES THAT YOU MIGHT HAVE; AND YOU WILL BE EVICTED. IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, CONTACT AN ATTORNEY IMMEDIATELY.**

**Subd. 4. Such** *The notice required by this section must be given notwithstanding any provisions in the contract to the contrary, and shall be served within the state in the same manner as a summons in the district court, without the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of said the notice or doing any other preliminary act or thing whatsoever. Service of the notice without the state may be proved by the affidavit of the person making the same, made before an authorized officer having a seal, and within the state by such an affidavit or by the return of the sheriff of any county therein.*

Three weeks published notice, and if the premises described in the contract are actually occupied, then in addition thereto, the personal service of a copy of the notice within ten days after the first date of publication of the notice, and in like manner as the service of a summons in a civil action in the district court upon the person in possession of the premises, shall have *has* the same effect as the personal service of the notice upon the purchaser, his personal representatives or assigns, either within or without the state as herein provided for. In case of *such* service by publication.

as herein provided, the notice shall specify the conditions in which default has been made and state that ~~such~~ *the* contract will terminate 90 days after the first date of publication of the notice, unless prior thereto the purchaser ~~comply~~ *complies* with ~~such~~ *the* conditions and, if required pursuant to subdivision 2, makes all payments due and owing to the vendor under the contract through the date payment is made and ~~pay~~ *pays* the costs of service, the mortgage registration tax, if actually paid by the vendor, and attorneys' fees as provided herein, and the purchaser, his personal representatives or assigns, shall be allowed 90 days from and after the first date of publication of the notice to comply with the conditions of ~~such~~ *the* contract.

If, within the time mentioned, the person served complies with ~~such~~ *the* conditions and, if required pursuant to subdivision 2, makes all payments due and owing to the vendor under the contract through the date payment is made and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, and attorneys' fees as provided herein, the contract shall be thereby reinstated; but otherwise shall terminate. In the event that ~~such~~ *the* notice was not signed by an attorney for the vendor and the vendor is not present in the state, or cannot be found therein, then compliance with the conditions specified in the notice may be made by paying to the clerk of the district court in the county wherein the real estate or any part thereof is situated any money due and filing proof of compliance with other defaults specified, and the clerk of the district court shall be deemed the agent of the vendor for such purposes. A copy of the notice with proof of service thereof, and the affidavit of the vendor, his agent or attorney, showing that the purchaser has not complied with the terms of the notice, may be recorded with the county recorder, and ~~shall be~~ *is* prima facie evidence of the facts therein stated; but this section ~~shall~~ in no case be held to apply *applies* to contracts for the sale or conveyance of lands situated in another state or in a foreign country.

Sec. 7. Minnesota Statutes 1978, Chapter 559, is amended by adding a section to read:

[559.211] [RESTRAINING OR ENJOINING FURTHER PROCEEDINGS PURSUANT TO NOTICE OF TERMINATION OF CONTRACT OF SALE.] *Subdivision 1.* [ORDER RESTRAINING OR ENJOINING FURTHER PROCEEDINGS: SECURITY.] *In an action arising under or in relation to a contract for the conveyance of real estate or any interest therein, the county or district court, notwithstanding the service or publication pursuant to the provisions of section 559.21 of a notice of termination of the contract, has the authority at any time prior to the effective date of termination of the contract and subject to the requirements of Rule 65 of the Rules of Civil Procedure for the District Courts or comparable county court rule to enter an order temporarily restraining or enjoining further proceedings to effectuate the termination of the contract, including recording of the notice of termination with proof of service, recording of an affidavit showing noncompliance with the terms of the notice, taking*

*any action to recover possession of the real estate, or otherwise interfering with the purchaser's lawful use of the real estate. In the action, the purchaser may plead affirmatively any matter that would constitute a defense to an action to terminate the contract. Upon a motion for a temporary restraining order the court has the discretion, notwithstanding any rule of court to the contrary, to grant the order without requiring the giving of any security or undertaking, and in exercising that discretion, the court shall consider, as one factor, the moving party's ability to afford monetary security. Upon a motion for a temporary injunction, the court shall condition the granting of the order either upon the tender to the court or vendor of installments as they become due under the contract or upon the giving of other security in a sum as the court deems proper. Upon written application, the court may disburse from payments tendered to the court an amount the court determines necessary to insure the timely payment of property taxes, property insurance, installments of special assessments, mortgage installments, prior contract for deed installments or other similar expenses directly affecting the real estate, or for any other purpose the court deems just. If a temporary restraining order or injunction is granted pursuant to this subdivision, the contract shall not terminate until the expiration of 15 days after the entry of the order or decision dissolving or modifying the temporary restraining order or injunction.*

*Subd. 2. [REMEDIES ADDITIONAL.] The remedies provided in this section are in addition to and do not limit other rights or remedies available to purchasers or vendors of real estate.*

*Subd. 3. [APPLICABILITY.] This section is applicable to contracts for the conveyance of real estate or any interest therein executed before, on and after the effective date of this section.*

**Sec. 8. This act is effective May 1, 1980."**

Delete the title and insert:

"A bill for an act relating to commerce; providing a floating usury rate and penalty for contracts for deed; changing the termination periods for contracts for deed; clarifying the procedure regarding enjoining contract for deed terminations subsequent to service of the termination notice; amending Minnesota Statutes 1978, Sections 47.20, by adding a subdivision; 559.21; Chapter 559, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 47.20, Subdivisions 2, 3, 4, and 4a."

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

Senate Conferees: (Signed) Collin C. Peterson, Ron Sieloff, Gerry Sikorski

House Conferees: (Signed) Jim Evans, Ray W. Faricy, Lee Greenfield

Mr. Peterson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 273 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 273: A bill for an act relating to commerce; providing a floating usury rate for contracts for deed on residential property; amending Minnesota Statutes 1978, Section 47.20, Subdivisions 2 and 4, and by adding a subdivision.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Penny	Staples
Bang	Gearty	Knoll	Peterson	Stern
Barrette	Gunderson	Knutson	Pillsbury	Stokowski
Benedict	Hanson	Lessard	Purfeerst	Strand
Bernhagen	Hughes	Luther	Renneke	Stumpf
Brataas	Humphrey	McCutcheon	Rued	Tennessee
Chmielewski	Jensen	Menning	Schmitz	Ueland, A.
Coleman	Johnson	Moe	Setzepfandt	Ulland, J.
Davis	Keefe, J.	Ogdahl	Sieloff	Vega
Dieterich	Keefe, S.	Olhoft	Sillers	Wegener
Dunn	Kirchner	Olson	Solon	Willet
Engler	Kleinbaum	Omann	Spear	

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

#### SUSPENSION OF RULES

Mr. Coleman moved to take up the Calendar and waive the lie-over requirement. The motion prevailed.

#### CALENDAR

S. F. No. 1807: A bill for an act relating to taxation; income; property tax refund; deleting obsolete and unnecessary provisions and references; amending Minnesota Statutes 1978, Sections 290.03; 290.07, Subdivision 4; 290.071, Subdivision 1; 290.073; 290.077, Subdivision 4; 290.08, Subdivisions 3, 8 and 13; 290.09, Subdivisions 5, 13 and 25; 290.095, Subdivisions 3 and 8; 290.131, Subdivision 1; 290.18, Subdivision 1; 290.28, Subdivision 3; 290.311, Subdivisions 1 and 2; 290.32; 290.361, Subdivision 2; 290.38; 290.40; 290.49, Subdivision 1; 290.62; 290.65, Subdivisions 2, 7, 9, 13 and 16; 290.92, Subdivisions 2a, 5, 13 and 15; 290.93, Subdivisions 5 and 9; 290.931, Subdivision 1; 290.932, Subdivision 1; 290.936; 290.97; 290.972, Subdivisions 2 and 3; 290A.07, Subdivision 1; Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; and 290A.03, Subdivisions 3 and 13; repealing Minnesota Statutes 1978, Sections 290.06, Subdivisions 2b, 3a and 3b; 290.08, Subdivisions 4 and 5; 290.086; 290.087; 290.09, Subdivisions 11 and 20; 290.095, Subdivision 6; 290.31, Subdivision 28; 290.34, Subdivision 4; 290.361, Subdivision 4; 290.363; 290.45, Subdivision 2a; 290.49, Subdivision 9; 290.53, Subdivision 6; 290.65, Subdivisions 8, 14 and 15; 290.66; 290.68; 290.69; 290.93,

Subdivision 12; 290.932, Subdivision 5; 290.95; 290.96; and 290.-972, Subdivision 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Omann	Spear
Bang	Gearty	Knutson	Penny	Staples
Barrette	Gunderson	Laufenburger	Peterson	Stern
Benedict	Hanson	Lessard	Pillsbury	Stokowski
Bernhagen	Hughes	Luther	Purfeerst	Strand
Brataas	Humphrey	McCutcheon	Renneke	Stumpf
Chmielewski	Jensen	Menning	Rued	Tennessee
Coleman	Johnson	Moe	Schmitz	Ueland, A.
Davies	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Ogdahl	Sieloff	Vega
Dunn	Kleinbaum	Olhoff	Sillers	Wegener
Engler	Knaak	Olson	Solon	Willet

So the bill passed and its title was agreed to.

S. F. No. 1658: A bill for an act relating to intoxicating liquor; permitting holders of both on-sale wine and on-sale non-intoxicating malt beverages licenses to sell intoxicating malt beverages; amending Minnesota Statutes 1978, Section 340.11, Subdivision 20.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 22 and nays 37, as follows:

Those who voted in the affirmative were:

Barrette	Gearty	McCutcheon	Stern	Ulland, J.
Brataas	Humphrey	Nichols	Stokowski	Vega
Coleman	Keefe, S.	Ogdahl	Stumpf	
Davies	Kleinbaum	Solon	Tennessee	
Dunn	Luther	Staples	Ueland, A.	

Those who voted in the negative were:

Ashbach	Gunderson	Laufenburger	Peterson	Sillers
Bang	Hanson	Lessard	Pillsbury	Spear
Benedict	Jensen	Menning	Purfeerst	Strand
Bernhagen	Johnson	Moe	Renneke	Wegener
Chmielewski	Keefe, J.	Olhoff	Rued	Willet
Dieterich	Kirchner	Olson	Schmitz	
Engler	Knaak	Omann	Setzepfandt	
Frederick	Knutson	Penny	Sieloff	

So the bill failed to pass.

S. F. No. 1741: A bill for an act relating to motor vehicles; exempting certain retail installment contracts from the Motor Vehicle Installment Sales Act; amending Minnesota Statutes 1978, Section 168.66, Subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Omann	Spear
Bang	Gearty	Knoll	Penny	Staples
Barrette	Gunderson	Knutson	Peterson	Stern
Benedict	Hanson	Laufenburger	Pillsbury	Stokowski
Bernhagen	Hughes	Lessard	Purfeerst	Strand
Brataas	Humphrey	Luther	Renneke	Stumpf
Chmielewski	Jensen	Menning	Rued	Tennessee
Coleman	Johnson	Moe	Schmitz	Ueland, A.
Davies	Keefe, J.	Nichols	Setzepfandt	Ulland, J.
Dieterich	Keefe, S.	Ogdahl	Sieloff	Wegener
Dunn	Kirchner	Olhoff	Sillers	Willet
Engler	Kleinbaum	Olson	Solon	

Mr. Vega voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1630: A bill for an act relating to the City of Minneapolis; authorizing the establishment of a detached banking facility.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 38 and nays 21, as follows:

Those who voted in the affirmative were:

Bang	Hughes	Lessard	Pillsbury	Stokowski
Brataas	Humphrey	Luther	Purfeerst	Stumpf
Coleman	Johnson	McCutcheon	Sieloff	Tennessee
Davies	Keefe, S.	Moe	Sillers	Ulland, J.
Dieterich	Kleinbaum	Ogdahl	Solon	Vega
Gearty	Knoll	Olhoff	Spear	Willet
Gunderson	Knutson	Olson	Staples	
Hanson	Laufenburger	Peterson	Stern	

Those who voted in the negative were:

Ashbach	Dunn	Knaak	Renneke	Wegener
Barrette	Engler	Menning	Rued	
Benedict	Frederick	Nichols	Schmitz	
Bernhagen	Jensen	Omann	Setzepfandt	
Chmielewski	Keefe, J.	Penny	Strand	

So the bill passed and its title was agreed to.

S. F. No. 1996: A bill for an act relating to the city of Minneapolis; providing for a position in the unclassified service; amending Laws 1969, Chapter 937, Section 1, Subdivision 1, as amended, and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Omann	Spear
Bang	Gearty	Knutson	Penny	Staples
Barrette	Gunderson	Laufenburger	Peterson	Stern
Benedict	Hanson	Lessard	Pillsbury	Stokowski
Bernhagen	Hughes	Luther	Purfeerst	Strand
Brataas	Humphrey	McCutcheon	Renneke	Stumpf
Chmielewski	Jensen	Menning	Rued	Tennessee
Coleman	Johnson	Moe	Schmitz	Ueland, A.
Davies	Keefe, J.	Nichols	Setzepfandt	Ulland, J.
Dieterich	Keefe, S.	Ogdahl	Sieloff	Vega
Dunn	Kirchner	Olhoff	Sillers	Wegener
Engler	Kleinbaum	Olson	Solon	Willet

So the bill passed and its title was agreed to.

S. F. No. 1892: A bill for an act relating to workers' compensation; allowing flexibility in election of insurance coverage for certain businesses, partnerships and corporations; amending Minnesota Statutes, 1979 Supplement, Section 176.012.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Peterson	Stokowski
Bang	Gunderson	Laufenburger	Pillsbury	Strand
Barrette	Hanson	Lessard	Purfeerst	Stumpf
Benedict	Hughes	Luther	Renneke	Tennessee
Bernhagen	Humphrey	McCutcheon	Rued	Ueland, A.
Brataas	Jensen	Menning	Schmitz	Ulland, J.
Chmielewski	Johnson	Moe	Setzepfandt	Vega
Coleman	Keefe, J.	Nichols	Sieloff	Wegener
Davies	Keefe, S.	Ogdahl	Sillers	Willet
Dieterich	Kirchner	Olhoff	Solon	
Dunn	Kleinbaum	Olson	Spear	
Engler	Knaak	Omann	Staples	
Frederick	Knoll	Penny	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1796: A bill for an act relating to economic development: regulating development loans to Indians; amending Minnesota Statutes 1978, Section 362.40, Subdivisions 2 and 8; Minnesota Statutes, 1979 Supplement, Section 362.40, Subdivision 9; repealing Minnesota Statutes 1978, Section 362.40, Subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Peterson	Stokowski
Bang	Gunderson	Laufenburger	Pillsbury	Strand
Barrette	Hanson	Lessard	Purfeerst	Stumpf
Benedict	Hughes	Luther	Renneke	Tennessee
Bernhagen	Humphrey	McCutcheon	Rued	Ueland, A.
Brataas	Jensen	Menning	Schmitz	Ulland, J.
Chmielewski	Johnson	Moe	Setzepfandt	Vega
Coleman	Keefe, J.	Nichols	Sieloff	Wegener
Davies	Keefe, S.	Ogdahl	Sillers	Willet
Dieterich	Kirchner	Olhoft	Solon	
Dunn	Kleinbaum	Olson	Spear	
Engler	Knaak	Omann	Staples	
Frederick	Knoll	Penny	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1716: A bill for an act relating to workers' compensation; providing an annual date for adjusting supplementary benefit levels; amending Minnesota Statutes 1978, Section 176.132, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knoll	Omann	Staples
Bang	Gunderson	Knutson	Penny	Stern
Barrette	Hanson	Laufenburger	Peterson	Stokowski
Benedict	Hughes	Lessard	Pillsbury	Strand
Bernhagen	Humphrey	Luther	Purfeerst	Stumpf
Brataas	Jensen	McCutcheon	Renneke	Tennessee
Chmielewski	Johnson	Menning	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nichols	Sieloff	Vega
Dunn	Kirchner	Ogdahl	Sillers	Wegener
Engler	Kleinbaum	Olhoft	Solon	Willet
Frederick	Knaak	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1613: A bill for an act relating to Independent School District No. 119, Walker; authorizing it to transfer money from its general fund to its capital expenditure fund for the purpose of constructing a facility for special education.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Davies	Frederick	Hughes
Bang	Brataas	Dieterich	Gearty	Humphrey
Barrette	Chmielewski	Dunn	Gunderson	Johnson
Benedict	Coleman	Engler	Hanson	Keefe, J.

Keefe, S.	Luther	Penny	Sieloff	Stumpf
Kirchner	McCutcheon	Peterson	Sillers	Tennessee
Kleinbaum	Moe	Pillsbury	Solon	Ueland, A.
Knaak	Nichols	Purfeerst	Spear	Ulland, J.
Knoll	Ogdahl	Renneke	Staples	Vega
Knutson	Olhoft	Rued	Stern	Wegener
Laufenburger	Olson	Schmitz	Stokowski	Willet
Lessard	Omann	Setzepfandt	Strand	

So the bill passed and its title was agreed to.

S. F. No. 1751: A bill for an act relating to highway traffic regulations; providing that the operation of certain motorcycles does not require a two-wheeled vehicle endorsement on the operator's driver's license; amending Minnesota Statutes 1978, Section 169.974, Subdivision 2; and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Peterson	Stokowski
Bang	Gunderson	Laufenburger	Pillsbury	Strand
Barrette	Hanson	Lessard	Purfeerst	Stumpf
Benedict	Hughes	Luther	Renneke	Tennessee
Bernhagen	Humphrey	McCutcheon	Rued	Ueland, A.
Brataas	Jensen	Menning	Schmitz	Ulland, J.
Chmielewski	Johnson	Moe	Setzepfandt	Vega
Coleman	Keefe, J.	Nichols	Sieloff	Wegener
Davies	Keefe, S.	Ogdahl	Sillers	Willet
Dieterich	Kirchner	Olhoft	Solon	
Dunn	Kleinbaum	Olson	Spear	
Engler	Knaak	Omann	Staples	
Frederick	Knoll	Penny	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1541: A bill for an act relating to transportation; abolishing the functions, powers and duties of the department of transportation relating to the inspection, grading, sampling and analysis of hay and straw; clarifying laws relating to the regulation of railroads and removing obsolete and duplicative language; prescribing certain powers of the commissioner of transportation and the public service commission relating to rates and charges; requiring track scales, and regulating the weighing of railroad cars and freight; providing for railroad grade crossing safety devices and other safety devices; prescribing penalties; amending Minnesota Statutes 1978, Sections 218.011, Subdivision 2; 218.021; 218.031, Subdivision 1; 218.041; 219.01; 219.08; 219.10; 219.14; 219.17; 219.19; 219.23; 219.28; 219.383, Subdivision 4; 219.39; 219.40; 219.403; 219.47; 219.50; 219.52; 219.54; 219.64; 219.70; 219.741; 219.85; 219.92; 219.97, Subdivision 7; Chapters 25, by adding sections; 219, by adding sections; and 239, by adding a section; repealing Minnesota Statutes 1978, Sections 219.02; 219.03; 219.04; 219.05; 219.07; 219.11; 219.12; 219.25; 219.43;

219.58; 219.59; 219.60; 219.61; 219.62; 219.63; 219.65; 219.66; 219.67; 219.84; 219.86; 219.87; 219.89; 219.90; 219.91; 219.94; 219.95; 219.96; 219.97, Subdivisions 1, 2, 3, 8, 9, 11, 14, 15 and 16; 222.38; 222.39; 222.40; 222.41; 222.42; 222.43; 222.44; 222.45; 229.01; 229.02; 229.03; 229.04; 229.05; 229.06; 229.07; 229.08; 229.10; 229.11; 229.12; 229.13; 229.14; 229.15; 229.16; 229.17; 229.18; 229.19; 229.20; and 452.14.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Peterson	Stokowski
Bang	Gunderson	Laufenburger	Pillsbury	Strand
Barrette	Hanson	Lessard	Purfeerst	Stumpf
Benedict	Hughes	Luther	Renneke	Tennessen
Bernhagen	Humphrey	McCutcheon	Rued	Ueland, A.
Brataas	Jensen	Menning	Schmitz	Ulland, J.
Chmielewski	Johnson	Moe	Setzepfandt	Vega
Coleman	Keefe, J.	Nichols	Sieloff	Wegener
Davies	Keefe, S.	Ogdahl	Sillers	Willet
Dieterich	Kirchner	Olhoff	Solon	
Dunn	Kleinbaum	Olson	Spear	
Engler	Knaak	Omann	Staples	
Frederick	Knoll	Penny	Stern	

So the bill passed and its title was agreed to.

S. F. No. 2095: A bill for an act relating to Hennepin County; providing for a county personnel system; providing various conditions of public employment; amending Laws 1965, Chapter 855, Sections 1, 2, 3, 4, as amended, 5, 6, as amended, 7, as amended, 8, 9, 10, 11, 12, 13, 14, 15, as amended, and 16; and Laws 1979, Chapter 198, Article I, Section 2; repealing Laws 1945, Chapter 607, as amended; Laws 1965, Chapter 855, Section 17; Laws 1967, Chapter 646, Sections 4, 5, 6, and 7, and Chapter 779; and Laws 1979, Chapter 198, Article III, Section 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Kirchner	Nichols	Schmitz
Bang	Frederick	Kleinbaum	Ogdahl	Setzepfandt
Barrette	Gearty	Knaak	Olhoff	Sieloff
Benedict	Gunderson	Knoll	Olson	Sillers
Bernhagen	Hanson	Knutson	Omann	Solon
Brataas	Hughes	Laufenburger	Penny	Spear
Chmielewski	Humphrey	Lessard	Peterson	Staples
Coleman	Jensen	Luther	Pillsbury	Stern
Davies	Johnson	McCutcheon	Purfeerst	Stokowski
Dieterich	Keefe, J.	Menning	Renneke	Strand
Dunn	Keefe, S.	Moe	Rued	Stumpf

Tennessee Ulland, J. Vega Wegener Willet  
Ueland, A.

So the bill passed and its title was agreed to.

S. F. No. 1732: A bill for an act relating to public welfare; allowing county boards to delegate certain powers to county welfare boards; allowing human services boards to appoint a director on a permissive basis; amending Minnesota Statutes, 1979 Supplement, Sections 256E.08, by adding a subdivision; and 402.05, Subdivision 1a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	McCutcheon	Omann	Schmitz
Bang	Hanson	Menning	Penny	Setzepfandt
Benedict	Jensen	Moe	Peterson	Strand
Bernhagen	Keefe, J.	Nelson	Pillsbury	Wegener
Chmielewski	Kirchner	Nichols	Renneke	Willet
Dunn	Kleinbaum	Olson	Rued	

Those who voted in the negative were:

Barrette	Hughes	Laufenburger	Sieloff	Stumpf
Brataas	Humphrey	Lessard	Sillers	Tennessee
Coleman	Johnson	Luther	Solon	Ueland, A.
Davies	Keefe, S.	Merriam	Spear	Ulland, J.
Dieterich	Knaak	Ogdahl	Staples	Vega
Engler	Knoll	Olhoft	Stern	
Frederick	Knutson	Purfeerst	Stokowski	

So the bill failed to pass.

S. F. No. 1731: A bill for an act relating to trade secrets; enacting the uniform trade secrets act.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knutson	Penny	Staples
Bang	Gearty	Laufenburger	Peterson	Stern
Barrette	Hanson	Lessard	Pillsbury	Stokowski
Benedict	Hughes	Luther	Purfeerst	Strand
Bernhagen	Humphrey	McCutcheon	Renneke	Stumpf
Brataas	Jensen	Menning	Rued	Tennessee
Chmielewski	Johnson	Merriam	Schmitz	Ueland, A.
Coleman	Keefe, S.	Moe	Setzepfandt	Ulland, J.
Davies	Kirchner	Nichols	Sieloff	Vega
Dieterich	Kleinbaum	Olhoft	Sillers	Wegener
Dunn	Knaak	Olson	Solon	Willet
Engler	Knoll	Omann	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1957: A bill for an act relating to transportation; exempting certain substituted aircraft from payment of the aircraft registration tax; limiting refunds under certain circumstances; clarifying the penalty assessed for late payment of registration tax; amending Minnesota Statutes 1978, Sections 360.55, by adding a subdivision; and 360.61.

With the unanimous consent of the Senate, Mr. Penny moved to amend S. F. No. 1957 as follows:

Page 2, line 1, delete "*department*" and insert "*commissioner*"

Page 2, line 5, delete "*department*" and insert "*commissioner*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1957 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Penny	Stern
Bang	Hanson	Lessard	Peterson	Stokowski
Barrette	Hughes	Luther	Pillsbury	Strand
Benedict	Humphrey	McCutcheon	Purfeerst	Stumpf
Bernhagen	Jensen	Menning	Renneke	Tennessee
Brataas	Johnson	Merriam	Rued	Ueland, A.
Chmielewski	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzpfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoff	Solon	
Frederick	Knoll	Olson	Spear	
Gearty	Knutson	Omann	Staples	

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

S. F. No. 2090: A bill for an act relating to transportation; allowing the use of certain documents as relevant evidence of exceeding vehicle weight limits; requiring record keeping for shipments unloaded; imposing civil penalties; amending Minnesota Statutes 1978, Chapter 169, by adding sections.

With the unanimous consent of the Senate, Mr. Willet moved to amend S. F. No. 2090 as follows:

Page 1, line 17, delete "*the*" and insert "*a*"

Page 1, line 18, delete "*the*" and insert "*a*"

Page 1, line 20, delete "*which*" and insert "*that*"

Page 1, line 22, delete "*shall be*" and insert "*is*"

Page 1, line 23, delete "*a*" and insert "*the*"

Page 2, line 2, delete "*which*" and insert "*that,*"

Page 2, line 4, after "*vehicle*" insert a comma

Page 2, line 6, delete "*shall be*" and insert "*is*"

Page 2, line 6, delete "*a*" and insert "*the*"

Page 2, line 15, delete "*which*" and insert "*that*"

Page 2, line 18, delete "*which*" and insert "*that*"

Page 2, line 21, delete "*less*" and insert "*not more*"

Page 2, line 23, delete the period and insert a semicolon

Page 2, line 24, delete "*less*" and insert "*more*"

Page 2, line 25, delete "*3,000*" and insert "*2,000*"

Page 2, line 25, delete "*and*" and insert "*but not*"

Page 2, line 25, delete "*2,000*" and insert "*3,000*"

Page 2, line 26, delete the period and insert a semicolon

Page 2, line 27, delete "*less*" and insert "*more*"

Page 2, line 28, delete "*5,000*" and insert "*3,000*"

Page 2, line 28, delete "*and*" and insert "*but not*"

Page 2, line 28, delete "*3,000*" and insert "*5,000*"

Page 2, line 29, delete the period and insert "*; or*"

Page 3, line 24, delete "*shall be*" and insert "*is*"

Page 3, line 33, delete "*which*" and insert "*that*"

Page 4, line 1, delete "*shall*" and insert "*is*"

Page 4, line 2, delete "*constitute*"

The motion prevailed. So the amendment was adopted.

S. F. No. 2090 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 13, as follows:

Those who voted in the affirmative were:

Bang	Hughes	Knutson	Pillsbury	Stokowski
Benedict	Humphrey	Laufenburger	Purfeerst	Stumpf
Bernhagen	Jensen	Lessard	Renneke	Tennessee
Brataas	Johnson	Luther	Rued	Ueland, A.
Chmielewski	Keefe, J.	McCutcheon	Schmitz	Vega
Davies	Keefe, S.	Nelson	Sieloff	Wegener
Dieterich	Kirchner	Olhoft	Solon	Willet
Engler	Kleinbaum	Olson	Spear	
Gearty	Knaak	Omann	Staples	
Hanson	Knoll	Penny	Stern	

Those who voted in the negative were:

Ashbach	Gunderson	Moe	Setzepfandt	Ulland, J.
Barrette	Menning	Nichols	Sillers	
Frederick	Merriam	Peterson	Strand	

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

S. F. No. 1679: A bill for an act relating to transportation; permitting certain exemptions from motor carrier reporting requirements; requiring driver qualifications and safety requirements for certain carriers; creating a single annual renewal date for holders of multiple permits; permitting issuance of "floater" identification cards to motor carriers; clarifying enforcement powers; amending Minnesota Statutes 1978, Sections 221.031, Subdivision 1; 221.131; 221.221; and Minnesota Statutes, 1979 Supplement, Section 221.011, Subdivision 22.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Peterson	Stokowski
Bang	Hanson	Lessard	Pillsbury	Strand
Barrette	Hughes	Luther	Purfeerst	Stumpf
Benedict	Humphrey	McCutcheon	Renneke	Tennessee
Bernhagen	Jensen	Menning	Rued	Ueland, A.
Brataas	Johnson	Merriam	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Moe	Setzepfandt	Vega
Davies	Keefe, S.	Nelson	Sieloff	Wegener
Dieterich	Kirchner	Nichols	Sillers	Willet
Dunn	Kleinbaum	Oihoft	Solon	
Engler	Knaak	Olson	Spear	
Frederick	Knoll	Omann	Staples	
Garty	Knutson	Penny	Stern	

So the bill passed and its title was agreed to.

S. F. No. 2110: A bill for an act relating to metropolitan government; providing for the maximum amount of the borrowing authorization of the metropolitan airports commission; amending Minnesota Statutes 1978, Section 473.667, Subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Hughes	Kleinbaum	McCutcheon
Bang	Dunn	Humphrey	Knaak	Menning
Barrette	Engler	Jensen	Knoll	Merriam
Benedict	Frederick	Johnson	Knutson	Moe
Bernhagen	Garty	Keefe, J.	Laufenburger	Nelson
Brataas	Gunderson	Keefe, S.	Lessard	Nichols
Chmielewski	Hanson	Kirchner	Luther	Ogdahl

<b>Olhoft</b>	<b>Purfeerst</b>	<b>Sillers</b>	<b>Strand</b>	<b>Wegener</b>
<b>Olson</b>	<b>Renneke</b>	<b>Solon</b>	<b>Stumpf</b>	<b>Willet</b>
<b>Omman</b>	<b>Rued</b>	<b>Spear</b>	<b>Tennesen</b>	
<b>Penny</b>	<b>Schmitz</b>	<b>Staples</b>	<b>Ueland, A.</b>	
<b>Peterson</b>	<b>Setzpfandt</b>	<b>Stern</b>	<b>Ulland, J.</b>	
<b>Pillsbury</b>	<b>Sieloff</b>	<b>Stokowski</b>	<b>Vega</b>	

So the bill passed and its title was agreed to.

Mr. Davies voted in the negative.

S. F. No. 2104: A bill for an act relating to state lands; changing the interest rate on unpaid sale balances; amending Minnesota Statutes 1978, Section 92.06, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1 as follows:

Those who voted in the affirmative were:

<b>Ashbach</b>	<b>Gunderson</b>	<b>Lessard</b>	<b>Peterson</b>	<b>Stokowski</b>
<b>Bang</b>	<b>Hanson</b>	<b>Luther</b>	<b>Pillsbury</b>	<b>Strand</b>
<b>Barrette</b>	<b>Hughes</b>	<b>McCutcheon</b>	<b>Purfeerst</b>	<b>Stumpf</b>
<b>Benedict</b>	<b>Humphrey</b>	<b>Menning</b>	<b>Renneke</b>	<b>Tennesen</b>
<b>Bernhagen</b>	<b>Jensen</b>	<b>Merriam</b>	<b>Rued</b>	<b>Ueland, A.</b>
<b>Brataas</b>	<b>Johnson</b>	<b>Moe</b>	<b>Schmitz</b>	<b>Ulland, J.</b>
<b>Chmielewski</b>	<b>Keefe, S.</b>	<b>Nelson</b>	<b>Setzpfandt</b>	<b>Vega</b>
<b>Davies</b>	<b>Kirchner</b>	<b>Nichols</b>	<b>Sieloff</b>	<b>Wegener</b>
<b>Dieterich</b>	<b>Kleinbaum</b>	<b>Ogdahl</b>	<b>Sillers</b>	<b>Willet</b>
<b>Dunn</b>	<b>Knaak</b>	<b>Olhoft</b>	<b>Solon</b>	
<b>Engler</b>	<b>Knoll</b>	<b>Olson</b>	<b>Spear</b>	
<b>Frederick</b>	<b>Knutson</b>	<b>Omman</b>	<b>Staples</b>	
<b>Gearty</b>	<b>Laufenburger</b>	<b>Penny</b>	<b>Stern</b>	

Mr. Keefe, J. voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1900: A bill for an act relating to financial institutions; authorizing certain additional facilities for banks; amending Minnesota Statutes 1978, Section 47.52.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

<b>Ashbach</b>	<b>Gunderson</b>	<b>Lessard</b>	<b>Peterson</b>	<b>Stokowski</b>
<b>Bang</b>	<b>Hanson</b>	<b>Luther</b>	<b>Pillsbury</b>	<b>Strand</b>
<b>Barrette</b>	<b>Hughes</b>	<b>McCutcheon</b>	<b>Purfeerst</b>	<b>Stumpf</b>
<b>Benedict</b>	<b>Humphrey</b>	<b>Menning</b>	<b>Renneke</b>	<b>Tennesen</b>
<b>Bernhagen</b>	<b>Jensen</b>	<b>Merriam</b>	<b>Rued</b>	<b>Ueland, A.</b>
<b>Brataas</b>	<b>Johnson</b>	<b>Moe</b>	<b>Schmitz</b>	<b>Ulland, J.</b>
<b>Chmielewski</b>	<b>Keefe, J.</b>	<b>Nelson</b>	<b>Setzpfandt</b>	<b>Vega</b>
<b>Davies</b>	<b>Keefe, S.</b>	<b>Nichols</b>	<b>Sieloff</b>	<b>Wegener</b>
<b>Dieterich</b>	<b>Kleinbaum</b>	<b>Ogdahl</b>	<b>Sillers</b>	<b>Willet</b>
<b>Dunn</b>	<b>Knaak</b>	<b>Olhoft</b>	<b>Solon</b>	
<b>Engler</b>	<b>Knoll</b>	<b>Olson</b>	<b>Spear</b>	
<b>Frederick</b>	<b>Knutson</b>	<b>Omman</b>	<b>Staples</b>	
<b>Gearty</b>	<b>Laufenburger</b>	<b>Penny</b>	<b>Stern</b>	

So the bill passed and its title was agreed to.

S. F. No. 1810: A bill for an act relating to motor vehicles; registration and taxation; exempting certain tax exempt vehicles from special markings; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Penny	Stern
Bang	Hanson	Lessard	Peterson	Stokowski
Barrette	Hughes	Luther	Pillsbury	Strand
Benedict	Humphrey	McCutcheon	Purfeerst	Stumpf
Bernhagen	Jensen	Menning	Renneke	Tennessee
Brataas	Johnson	Merriam	Rued	Ueland, A.
Chmielewski	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	
Garty	Knutson	Omann	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1937: A bill for an act relating to drivers licenses; authorizing instruction permit holders to operate a motor vehicle while receiving behind the wheel training when accompanied by licensed adults; amending Minnesota Statutes 1978, Section 171.05, Subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Penny	Stern
Bang	Hanson	Lessard	Peterson	Stokowski
Barrette	Hughes	Luther	Pillsbury	Strand
Benedict	Humphrey	McCutcheon	Purfeerst	Stumpf
Bernhagen	Jensen	Menning	Renneke	Tennessee
Brataas	Johnson	Merriam	Rued	Ueland, A.
Chmielewski	Keefe, J.	Moe	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nelson	Setzepfandt	Vega
Davies	Kirchner	Nichols	Sieloff	Wegener
Dieterich	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	
Garty	Knutson	Omann	Staples	

So the bill passed and its title was agreed to.

S. F. No. 2131: A bill for an act relating to local government; permitting local governmental bodies to set mileage allowances for officers and employees; amending Minnesota Statutes 1978,

Section 471.665, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Section 471.665, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 18, as follows:

Those who voted in the affirmative were:

Benedict	Hanson	Laufenburger	Peterson	Spear
Bernhagen	Hughes	Lessard	Purfeerst	Staples
Chmielewski	Humphrey	Menning	Renneke	Stern
Dieterich	Johnson	Moe	Rued	Stokowski
Dunn	Keefe, S.	Nelson	Schmitz	Strand
Engler	Kleinbaum	Nichols	Setzepfandt	Ueland, A.
Frederick	Knaak	Olhoft	Sieloff	Wegener
Gearty	Knoll	Olson	Sillers	Willet
Gunderson	Knutson	Penny	Solon	

Those who voted in the negative were:

Ashbach	Davies	Luther	Omann	Ulland, J.
Bang	Jensen	McCutcheon	Pillabury	Vega
Barrette	Keefe, J.	Merriam	Stumpf	
Brataas	Kirchner	Ogdahl	Tennessee	

So the bill passed and its title was agreed to.

S. F. No. 2102: A bill for an act relating to the city of Melrose; authorizing the issuance of general obligation bonds for a fire hall and community center.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Stern
Bang	Gunderson	Laufenburger	Peterson	Stokowski
Barrette	Hanson	Lessard	Pillsbury	Strand
Benedict	Hughes	Luther	Purfeerst	Stumpf
Bernhagen	Humphrey	McCutcheon	Renneke	Tennessee
Brataas	Jensen	Menning	Rued	Ueland, A.
Chmielewski	Johnson	Moe	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nelson	Setzepfandt	Vega
Davies	Keefe, S.	Nichols	Sieloff	Wegener
Dieterich	Kirchner	Ogdahl	Sillers	Willet
Dunn	Kleinbaum	Olhoft	Solon	
Engler	Knaak	Olson	Spear	
Frederick	Knoll	Omann	Staples	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 2040: A bill for an act relating to the city of Campbell; authorizing issuance of general obligation bonds to finance construction of a community hall.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Bang	Gunderson	Knutson	Penny	Staples
Barrette	Hanson	Laufenburger	Peterson	Stern
Bernhagen	Hughes	Lessard	Pillsbury	Stokowski
Brataas	Humphrey	Luther	Purfeerst	Strand
Chmielewski	Jensen	Menning	Renneke	Stumpf
Coleman	Johnson	Moe	Rued	Tennessee
Davies	Keefe, J.	Nelson	Schmitz	Ueland, A.
Dieterich	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dunn	Kirchner	Ogdahl	Sieloff	Vega
Engler	Kleinbaum	Olhoft	Sillers	Wegener
Frederick	Knaak	Olson	Solon	Willet
Gearty	Knoll	Omann	Spear	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1979: A bill for an act relating to state forests; altering the boundaries of Badoura State Forest; amending Minnesota Statutes 1978, Section 89.021, Subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1187: A bill for an act relating to insurance; providing for continuation of waiver of premium benefits for the disabled, regardless of continuation of the master policy; amending Minnesota Statutes 1978, Section 61A.091.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessen
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1889: A bill for an act relating to intoxicating liquor; authorizing the use of wine catalogs by off-sale dealers; amending Minnesota Statutes 1978, Section 340.15, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 15, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Omann	Stern
Bang	Gearty	Knutson	Penny	Stokowski
Barrette	Hanson	Lessard	Pillsbury	Stumpf
Bernhagen	Hughes	Luther	Purfeerst	Tennessen
Brataas	Humphrey	Merriam	Schmitz	Ueland, A.
Coleman	Jensen	Moe	Sieloff	Ulland, J.
Davies	Johnson	Nelson	Sillers	Vega
Dieterich	Keefe, J.	Nichols	Solon	Wegener
Dunn	Keefe, S.	Ogdahl	Spear	
Engler	Knaak	Olson	Staples	

Those who voted in the negative were:

Benedict	Kirchner	McCutcheon	Peterson	Setzepfandt
Chmielewski	Kleinbaum	Menning	Renneke	Strand
Gunderson	Laufenburger	Olhoft	Rued	Willet

So the bill passed and its title was agreed to.

S. F. No. 1188: A bill for an act relating to insurance; providing that an employer group disability income policy provide coverage for pre-termination claims.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spears	

So the bill passed and its title was agreed to.

S. F. No. 1662: A bill for an act relating to intoxicating liquor; authorizing holders of off-sale licenses to dispense samples of wine; amending Minnesota Statutes 1978, Section 340.11, Subdivision 15.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 35 and nays 26, as follows:

Those who voted in the affirmative were:

Bang	Gearty	Luther	Pillsbury	Stokowski
Barrette	Hughes	Merriam	Purfeerst	Stumpf
Brataas	Keefe, S.	Nelson	Setzepfandt	Tennessee
Coleman	Kleinbaum	Nichols	Sillers	Ueland, A.
Davies	Knaak	Ogdahl	Spears	Ulland, J.
Dieterich	Laufenburger	Omman	Staples	Vega
Frederick	Lessard	Penny	Stern	Wegener

Those who voted in the negative were:

Ashbach	Gunderson	Knutson	Peterson	Strand
Benedict	Hanson	McCutcheon	Renneke	Willet
Bernhagen	Humphrey	Menning	Rued	
Chmielewski	Johnson	Moe	Schmitz	
Dunn	Keefe, J.	Olhoft	Sieloff	
Engler	Kirchner	Olson	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1700: A bill for an act relating to insurance; regulating suicide provisions in life insurance contracts; amending Minnesota Statutes 1978, Chapter 61A, by adding a section.

Mr. Davies moved that S. F. No. 1700, No. 54 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S. F. No. 1358: A bill for an act relating to insurance; clarifying provisions regarding acquisition of control of domestic insurers; changing the time period after which a hearing must be held under the insurance holding company systems act; changing the time

period under which discovery must be completed for these hearings; eliminating an exemption from the insurance holding company systems act; amending Minnesota Statutes 1978, Section 60D.02, Subdivisions 4 and 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Olhoft	Solon
Bang	Gearly	Knutson	Olson	Spear
Barrette	Gunderson	Laufenburger	Omann	Staples
Benedict	Hanson	Lessard	Penny	Stern
Bernhagen	Hughes	Luther	Peterson	Stokowski
Brataas	Humphrey	McCutcheon	Pillsbury	Strand
Chmielewski	Johnson	Menning	Purfeerst	Tennessee
Coleman	Keefe, J.	Merriam	Renneke	Ueland, A.
Davies	Keefe, S.	Moe	Rued	Ulland, J.
Dieterich	Kirchner	Nelson	Schmitz	Vega
Dunn	Kleinbaum	Nichols	Setzpfandt	Wegener
Engler	Knaak	Ogdahl	Sieloff	Willet

So the bill passed and its title was agreed to.

S. F. No. 1922: A bill for an act relating to financial institutions; permitting banks or trust companies to invest up to 20 percent of their capital and surplus in certain agricultural credit corporations; amending Minnesota Statutes 1978, Section 48.61, Subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearly	Laufenburger	Penny	Stokowski
Bang	Gunderson	Lessard	Peterson	Strand
Barrette	Hanson	Luther	Pillsbury	Stumpf
Benedict	Hughes	McCutcheon	Purfeerst	Tennessee
Bernhagen	Humphrey	Menning	Renneke	Ueland, A.
Brataas	Johnson	Merriam	Rued	Ulland, J.
Chmielewski	Keefe, J.	Moe	Schmitz	Vega
Coleman	Keefe, S.	Nelson	Setzpfandt	Wegener
Davies	Kirchner	Nichols	Sieloff	Willet
Dieterich	Kleinbaum	Ogdahl	Solon	
Dunn	Knaak	Olhoft	Spear	
Engler	Knoll	Olson	Staples	
Frederick	Knutson	Omann	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1825: A bill for an act relating to state government; permitting payroll deductions for the Minnesota Benefit Association; amending Minnesota Statutes 1978, Section 10.39, Subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Olhoft	Spear
Bang	Gearty	Knutson	Olson	Staples
Barrette	Gunderson	Laufenburger	Omann	Stern
Benedict	Hanson	Lessard	Penny	Stokowski
Bernhagen	Hughes	Luther	Peterson	Strand
Brataas	Humphrey	McCutcheon	Pillsbury	Stumpf
Chmielewski	Johnson	Menning	Purfeerst	Tennessee
Coleman	Keefe, J.	Merriam	Renneke	Ueland, A.
Davies	Keefe, S.	Moe	Rued	Ulland, J.
Dieterich	Kirchner	Nelson	Schmitz	Vega
Dunn	Kleinbaum	Nichols	Sieloff	Wegener
Engler	Knaak	Ogdahl	Solon	Willet

Mr. Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1659: A bill for an act relating to intoxicating liquor; permitting municipalities to authorize the sale of intoxicating liquor at arenas and sports complexes in certain cases; amending Minnesota Statutes 1978, Section 340.11, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 21, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Laufenburger	Omann	Stern
Bang	Humphrey	Lessard	Penny	Stokowski
Barrette	Jensen	Luther	Pillsbury	Stumpf
Brataas	Johnson	Merriam	Purfeerst	Tennessee
Coleman	Keefe, S.	Moe	Setzepfandt	Ueland, A.
Davies	Kleinbaum	Nelson	Solon	Ulland, J.
Dieterich	Knaak	Nichols	Spear	Vega
Gearty	Knoll	Ogdahl	Staples	Wegener

Those who voted in the negative were:

Benedict	Gunderson	McCutcheon	Renneke	Willet
Bernhagen	Hughes	Menning	Rued	
Chmielewski	Keefe, J.	Olhoft	Schmitz	
Dunn	Kirchner	Olson	Sieloff	
Frederick	Knutson	Peterson	Strand	

So the bill passed and its title was agreed to.

S. F. No. 1661: A bill for an act relating to intoxicating liquor; removing limitations on the number of on-sale licenses which cities may issue; permitting counties and cities to set off-sale license fees; amending Minnesota Statutes 1978, Sections 340.11, Subdivisions 3a, 5a, 7a, 10a, 13, 14, and 20; 340.353, Subdivision 5; Minnesota Statutes, 1979 Supplement, Section 340.11, Subdi-

visions 11 and 11b; and repealing Minnesota Statutes 1978, Section 340.11, Subdivisions 8 and 18.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 23 and nays 38, as follows:

Those who voted in the affirmative were:

Bang	Jensen	Laufenburger	Ogdahl	Stern
Coleman	Johnson	Luther	Penny	Stokowski
Dieterich	Keefe, S.	McCutcheon	Pillsbury	Tennessee
Gearty	Kleinbaum	Merriam	Purfeerst	
Hughes	Knoll	Nelson	Staples	

Those who voted in the negative were:

Ashbach	Engler	Knutson	Renneke	Stumpf
Barrette	Frederick	Menning	Rued	Ueland, A.
Benedict	Gunderson	Moe	Schmitz	Ulland, J.
Bernhagen	Hanson	Nichols	Setzepfandt	Vega
Brataas	Humphrey	Olhoft	Sieloff	Wegener
Chmielewski	Keefe, J.	Olson	Solon	Willet
Davies	Kirchner	Omman	Spear	
Dunn	Knaak	Peterson	Strand	

So the bill failed to pass.

S. F. No. 1843: A bill for an act relating to transportation; establishing a state rail bank for abandoned rail lines; amending Minnesota Statutes 1978, Chapter 222, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 174.03, Subdivision 4; 222.50, Subdivision 7; and 222.65.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Olson	Spear
Bang	Gearty	Knutson	Omman	Staples
Barrette	Gunderson	Laufenburger	Penny	Stern
Benedict	Hanson	Lessard	Peterson	Stokowski
Bernhagen	Hughes	Luther	Pillsbury	Strand
Brataas	Humphrey	Menning	Purfeerst	Tennessee
Chmielewski	Jensen	Merriam	Renneke	Ueland, A.
Coleman	Johnson	Moe	Rued	Ulland, J.
Davies	Keefe, J.	Nelson	Schmitz	Vega
Dieterich	Keefe, S.	Nichols	Setzepfandt	Wegener
Dunn	Kirchner	Ogdahl	Sieloff	Willet
Engler	Kleinbaum	Olhoft	Solon	

Messrs. McCutcheon and Stumpf voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1887: A bill for an act relating to taxation; redefining "family farm corporation" for purposes of the agricultural prop-

erty tax law; amending Minnesota Statutes 1978, Section 273.111, Subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Knutson	Olson	Solon
Bang	Hanson	Laufenburger	Omann	Spear
Barrette	Hughes	Lessard	Penny	Staples
Benedict	Humphrey	Luther	Peterson	Stern
Bernhagen	Jensen	McCutcheon	Pillsbury	Stokowski
Brataas	Johnson	Menning	Purfeerst	Strand
Chmielewski	Keefe, J.	Merriam	Renneke	Stumpf
Coleman	Keefe, S.	Moe	Rued	Ueland, A.
Dunn	Kirchner	Nelson	Schmitz	Ulland, J.
Engler	Kleinbaum	Nichols	Setzepfandt	Vega
Frederick	Knaak	Ogdahl	Sieloff	Wegener
Gearty	Knoll	Olhoff	Sillers	Willet

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

So the bill passed and its title was agreed to.

S. F. No. 1719: A bill for an act relating to taxation; changing settlement dates for property taxes; amending Minnesota Statutes 1978, Sections 276.09; 276.10; and 276.11.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knutson	Olson	Solon
Bang	Gearty	Laufenburger	Omann	Spear
Barrette	Gunderson	Lessard	Penny	Staples
Benedict	Hanson	Luther	Peterson	Stern
Bernhagen	Hughes	McCutcheon	Pillsbury	Stokowski
Brataas	Jensen	Menning	Purfeerst	Strand
Chmielewski	Johnson	Merriam	Renneke	Stumpf
Coleman	Keefe, J.	Moe	Rued	Tennesen
Davies	Kirchner	Nelson	Schmitz	Ulland, J.
Dieterich	Kleinbaum	Nichols	Setzepfandt	Vega
Dunn	Knaak	Ogdahl	Sieloff	Wegener
Engler	Knoll	Olhoff	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1675: A bill for an act relating to taxation; clarifying the provisions of the wetland credit for property tax purposes; providing a property tax exemption and credit for native prairie; providing for payment to the county for revenue lost by the exemption and credit; appropriating money; amending Minnesota Statutes 1978, Chapter 273, by adding a section; and Minnesota

Statutes, 1979 Supplement, Sections 272.02, Subdivision 1; 273.115, Subdivisions 1, 2, 5, 6, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessen
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1875: A bill for an act relating to commerce; providing for ownership rights in dies and molds under certain conditions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Lessard	Peterson	Stokowski
Bang	Hanson	Luther	Pillsbury	Strand
Barrette	Hughes	McCutcheon	Purfeerst	Stumpf
Benedict	Humphrey	Menning	Renneke	Tennessen
Bernhagen	Jensen	Merriam	Rued	Ueland, A.
Brataas	Johnson	Moe	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Setzepfandt	Vega
Coleman	Keefe, S.	Nichols	Sieloff	Wegener
Davies	Kleinbaum	Ogdahl	Sillers	Willet
Dieterich	Knaak	Olhoft	Solon	
Dunn	Knoll	Olson	Spear	
Engler	Knutson	Omann	Staples	
Frederick	Laufenburger	Penny	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1863: A bill for an act relating to courts; raising the jurisdictional limit for conciliation court; providing for additional clerk and administrator duties in conciliation court; providing for a procedure to assist in collection of conciliation court judgments; changing certain deadlines; providing penalties; amending Minnesota Statutes 1978, Sections 487.30, Subdivision 1, and by adding a subdivision; 488A.12, Subdivision 3; 488A.13, Subdivision 2; 488A.14, Subdivisions 4 and 5; 488A.16, Subdivisions 2, 5, 6 and 8;

488A.17, Subdivisions 2 and 3; 488A.29, Subdivision 3; 488A.30, Subdivision 2; 488A.31, Subdivisions 4 and 5; 488A.33, Subdivisions 2, 5, 7 and 8; and 488A.34, Subdivisions 2 and 12.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 597: A bill for an act relating to motor vehicles; requiring an identification number on vehicles used in enforcing highway traffic safety regulations; amending Minnesota Statutes 1978, Section 169.98, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Stern
Bang	Gunderson	Laufenburger	Peterson	Stokowski
Barrette	Hanson	Lessard	Pillsbury	Strand
Benedict	Hughes	Luther	Purfeerst	Stumpf
Bernhagen	Humphrey	Menning	Renneke	Tennessee
Brataas	Jensen	Merriam	Rued	Ueland, A.
Chmielewski	Johnson	Moe	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nelson	Setzepfandt	Vega
Davies	Keefe, S.	Nichols	Sieloff	Wegener
Dieterich	Kirchner	Ogdahl	Sillers	Willet
Dunn	Kleinbaum	Olhoft	Solon	
Engler	Knaak	Olson	Spear	
Frederick	Knoll	Omann	Staples	

Mr. McCutcheon voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1311: A bill for an act relating to metropolitan government; removing the city of Northfield from definition of metropolitan areas; adding the city of Northfield to region ten; amend-

ing Minnesota Statutes 1978, Sections 473.121, Subdivision 2; 473.123, Subdivision 3; 473.403; 473F.02, Subdivisions 2 and 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Garty	Knutson	Omann	Stern
Bang	Gunderson	Laufenburger	Penny	Stokowski
Barrette	Hanson	Lessard	Peterson	Strand
Benedict	Hughes	Luther	Pillsbury	Stumpf
Bernhagen	Humphrey	McCutcheon	Purfeerst	Tennessee
Brataas	Jensen	Menning	Renneke	Ueland, A.
Chmielewski	Johnson	Merriam	Rued	Ulland, J.
Coleman	Keefe, J.	Moe	Setzepfandt	Vega
Davies	Keefe, S.	Nelson	Sieloff	Wegener
Dieterich	Kirchner	Nichols	Sillers	Willet
Dunn	Kleinbaum	Ogdahl	Solon	
Engler	Knaak	Olhoft	Spear	
Frederick	Knoll	Olson	Staples	

Mr. Schmitz voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1740: A bill for an act relating to local public employees; increasing the amount of severance pay which may be given to certain employees; improving some of the language in a severance pay law; amending Minnesota Statutes, 1979 Supplement, Section 465.72.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Gunderson	Knutson	Olson	Spear
Barrette	Hanson	Laufenburger	Omann	Staples
Benedict	Hughes	Lessard	Penny	Stern
Bernhagen	Humphrey	Luther	Peterson	Stokowski
Brataas	Jensen	McCutcheon	Pillsbury	Strand
Chmielewski	Johnson	Menning	Purfeerst	Stumpf
Davies	Keefe, J.	Merriam	Renneke	Tennessee
Dieterich	Keefe, S.	Moe	Rued	Ueland, A.
Dunn	Kirchner	Nelson	Schmitz	Ulland, J.
Engler	Kleinbaum	Nichols	Sieloff	Vega
Frederick	Knaak	Ogdahl	Sillers	Wegener
Garty	Knoll	Olhoft	Solon	Willet

So the bill passed and its title was agreed to.

S. F. No. 789: A bill for an act relating to commerce; registering and regulating continuing care facilities; providing a lien; providing for disclosure; providing a penalty; amending Minnesota Statutes 1978, Section 82.18.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoff	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1707: A bill for an act relating to towns; requiring a majority of voters to permit town zoning; clarifying the ballot question; requiring hearing and notice before certain actions; requiring notice of changes; amending Minnesota Statutes 1978, Sections 366.11; 366.12; 366.13; and 366.15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Penny	Stern
Bang	Gunderson	Lessard	Peterson	Stokowski
Barrette	Hanson	Luther	Pillsbury	Strand
Benedict	Hughes	McCutcheon	Purfeerst	Stumpf
Bernhagen	Humphrey	Menning	Renneke	Tennessee
Brataas	Jensen	Merriam	Rued	Ueland, A.
Chmielewski	Johnson	Moe	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nelson	Setzepfandt	Vega
Davies	Keefe, S.	Nichols	Sieloff	Wegener
Dieterich	Kirchner	Ogdahl	Sillers	Willet
Dunn	Kleinbaum	Olhoff	Solon	
Engler	Knaak	Olson	Spear	
Frederick	Knutson	Omann	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1811: A bill for an act relating to transportation; excluding minor pipeline relocations from certain easement or right-of-way agreement provisions; amending Minnesota Statutes, 1979 Supplement, Section 1161.01, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennesen
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1921: A bill for an act relating to the city of Moorhead; increasing the amount which the city may expend for public transportation services; amending Laws 1969, Chapter 192, Section 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennesen
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet
Engler	Knaak	Olhoft	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2067: A bill for an act relating to motor vehicles; increasing the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act; amending Minnesota Statutes 1978, Section 168.72.

With the unanimous consent of the Senate, Mr. Penny moved to amend S. F. No. 2067 as follows:

Page 2, line 27, delete "1" and insert "31"

Page 2, line 32, after the period, insert "A motor vehicle retail installment sale contract that provides for a time price differential authorized by this subdivision continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied."

The motion prevailed. So the amendment was adopted.

S. F. No. 2067 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 4, as follows:

Those who voted in the affirmative were:

Aahbach	Gearty	Knutson	Penny	Staples
Bang	Gunderson	Laufenburger	Peterson	Stern
Barrette	Hanson	Lessard	Pillsbury	Stokowski
Benedict	Hughes	Menning	Purfeerst	Strand
Bernhagen	Humphrey	Merriam	Renneke	Stumpf
Brataas	Jensen	Moe	Rued	Tennessee
Chmielewski	Keefe, J.	Nelson	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Davies	Kirchner	Ogdahl	Sieloff	Vega
Dunn	Kleinbaum	Olhoff	Sillers	Wegener
Engler	Knaak	Olson	Solon	Willet
Frederick	Knoll	Omann	Spear	

Messrs. Dieterich, Johnson, Luther and McCutcheon voted in the negative.

So the bill, as amended, passed and its title was agreed to.

S. F. No. 2077: A bill for an act relating to interest; regulating rates of interest on loans for business and agricultural transactions; removing certain deficiencies and ambiguities; amending Minnesota Statutes, 1979 Supplement, Section 334.011, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Staples
Bang	Gunderson	Laufenburger	Peterson	Stern
Barrette	Hanson	Lessard	Pillsbury	Stokowski
Benedict	Hughes	Luther	Purfeerst	Strand
Bernhagen	Humphrey	Menning	Renneke	Stumpf
Brataas	Jensen	Merriam	Rued	Tennessee
Chmielewski	Keefe, J.	Moe	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nelson	Setzepfandt	Ulland, J.
Davies	Kirchner	Ogdahl	Sieloff	Vega
Dunn	Kleinbaum	Olhoff	Sillers	Wegener
Engler	Knaak	Olson	Solon	Willet
Frederick	Knoll	Omann	Spear	

Messrs. Dieterich, Johnson and McCutcheon voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 978: A bill for an act relating to banks and trust companies; allowing substitution of certain banks and trust companies in fiduciary capacities maintained by certain banks and trust companies.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willett
Engler	Knaak	Olhoff	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1813: A bill for an act relating to mobile homes; permitting the sale of mobile homes from a residence; amending Minnesota Statutes 1978, Section 327.55, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Peterson	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Merriam	Rued	Ueland, A.
Coleman	Keefe, J.	Moe	Schmitz	Ulland, J.
Davies	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willett
Engler	Knaak	Olhoff	Solon	
Frederick	Knoll	Olson	Spear	

So the bill passed and its title was agreed to.

### RECONSIDERATION

Mr. Hughes moved that the vote whereby S. F. No. 1573 failed to pass the Senate on March 11, 1980, be now reconsidered. The motion prevailed.

Mr. Hughes moved that S. F. No. 1573, on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Tennessen moved that H. F. No. 1789 be withdrawn from the Committee on Commerce and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1818 now on the Calendar. The motion prevailed.

#### **RECONSIDERATION**

Mr. Spear moved that the vote whereby S. F. No. 1658 failed to pass the Senate on March 12, 1980, be now reconsidered. The motion prevailed.

Mr. Spear moved that S. F. No. 1658, on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

#### **NOTICE OF RECONSIDERATION**

Mr. Olhoft gave notice of intention to move for reconsideration of S. F. No. 1732.

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Knutson moved that his name be stricken as chief author, added as co-author and Mr. Solon be shown as chief author to S. F. No. 1770. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Thursday, March 13, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, March 13, 1980

The Senate met at 10:00 o'clock a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Dieterich	Johnson	Pillsbury	Stern
Ashbach	Engler	Kirchner	Purfeerst	Stokowski
Bang	Frederick	Kleinbaum	Rued	Strand
Barrette	Gearty	Knutson	Schmitz	Stumpf
Bernhagen	Gunderson	Menning	Sieloff	Ueland, A.
Chmielewski	Hanson	Nelson	Sillers	Vega
Coleman	Hughes	Olhoft	Spear	Wegener
Davies	Humphrey	Peterson	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul Schuessler.

The roll was called, and the following Senators answered to their names:

Anderson	Frederick	Knoll	Omann	Staples
Ashbach	Gearty	Knutson	Penny	Stern
Bang	Gunderson	Lessard	Perpich	Stokowski
Barrette	Hanson	Luther	Peterson	Strand
Benedict	Hughes	McCutcheon	Pillsbury	Stumpf
Bernhagen	Humphrey	Menning	Renneke	Tennessee
Brataas	Jensen	Merriam	Rued	Ueland, A.
Chmielewski	Johnson	Moe	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nelson	Setzepfandt	Vega
Davies	Keefe, S.	Nichols	Sieloff	Wegener
Dieterich	Kirchner	Ogdahl	Sillers	Willet
Dunn	Kleinbaum	Olhoft	Solon	
Engler	Knaak	Olson	Spear	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Messrs. Schaaf and Sikorski were excused from the Session of today. Mr. Purfeerst was excused from the Session of today until

2:30 o'clock p.m. Messrs. Knoll and Laufenburger were excused from the Session of today from 10:00 to 11:00 o'clock a.m. Mrs. Knaak was excused from the Session of today until 11:00 o'clock a.m. Mrs. Staples was excused from the Session of today at 12:00 o'clock noon. Mrs. Brataas and Mr. Penny were excused from the Session of today from 10:00 to 10:30 o'clock a.m.

#### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Barrette, Omann, Bernhagen, Mrs. Knaak and Mr. Rued introduced—

S. F. No. 2372: A bill for an act relating to drivers licenses; providing for distinctive Minnesota identification cards for senior citizens and prescribing the fee; providing for its use for certain identification purposes; authorizing its issuance to holders of drivers licenses; amending Minnesota Statutes 1978, Section 171.07, by adding a subdivision.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Anderson introduced—

S. F. No. 2373: A bill for an act relating to state lands; providing for the conveyance to the county of Anoka of a leasehold interest.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Knaak, Messrs. Ashbach, Barrette and Stumpf introduced—

S. F. No. 2374: A bill for an act relating to military affairs; permitting the purchase of property from Independent School District No. 623 by the adjutant general; appropriating money.

Referred to the Committee on General Legislation and Administrative Rules.

Messrs. Hanson and Stern introduced—

S. F. No. 2375: A bill for an act relating to taxation; clarifying provisions of the Minnesota tax increment financing act; amending Minnesota Statutes 1978, Section 472A.02, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 273.73, Subdivisions 7, 8, 10, 11 and 12; 273.74, Subdivi-

sion 3; 273.75, Subdivisions 1, 2, 5 and 6; 273.76, Subdivisions 1 and 2 and 3, and by adding a subdivision; 273.77; 273.78; 273.86, Subdivision 4; and 473F.08, Subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hanson, Strand, Olhoff, Moe and Peterson introduced—

S. F. No. 2376: A resolution memorializing the President and Congress to enact legislation or take other appropriate action to open the St. Lawrence Seaway for shipping as early as possible.

Referred to the Committee on Transportation.

Mr. Sikorski and Mrs. Staples introduced—

S. F. No. 2377: A bill for an act relating to health care; further defining "qualified expense" as it relates to catastrophic health expense protection; amending Minnesota Statutes 1978, Section 62E.52, Subdivision 3.

Referred to the Committee on Health, Welfare and Corrections.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S. F. No. 2203. The motion prevailed.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2276: A bill for an act relating to education; providing for training teachers and producers in the method of producing agriculturally derived alcohol fuels; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1990: A bill for an act relating to agriculture; clarifying certain requirements for authorized farm corporations; amending Minnesota Statutes 1978, Section 500.24, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 24, strike "A majority of the"

Page 2, line 24, delete the comma

Page 2, line 25, delete the comma

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2140: A bill for an act relating to the city of Fergus Falls; providing for cooperative use of city solid waste by the city and the state welfare department; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 16, delete everything before "may" and insert "any units of local government"

Page 1, line 16, delete the second "city" and insert "units of local government"

Page 1, line 17, delete "its" and insert "their"

Page 1, lines 19 and 21, delete "city" and insert "local units of government"

Page 2, line 5, delete "the city of Fergus Falls" and insert "local units of government"

Page 2, line 6, after "effective" insert "for each local unit of government"

Page 2, line 6, delete "the"

Page 2, line 7, delete "city of Fergus Falls" and insert "each local unit of government"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "city of"

Page 1, line 2, after "Falls" insert "state hospital"

Page 1, line 3, delete "city"

Page 1, line 3, delete "the"

Page 1, line 4, delete "city" and insert "local units of government"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1858: A bill for an act relating to snowmobiles; authorizing use in trapping related activities in certain counties; amend-

ing Minnesota Statutes, 1979 Supplement, Section 100.29, Subdivision 30.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2152: A bill for an act relating to state lands; authorizing conveyance of certain parcels of land in the city of Brooklyn Center.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "highways" and insert "transportation"

Page 1, line 12, delete "county of Hennepin" and insert "city of Brooklyn Center"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1847: A bill for an act relating to Blue Earth County; authorizing the county to contract for the completion of the improvement of county ditch No. 27; setting limits on the expenditure of money for the improvement; providing for financing; amending Laws 1975, Chapter 249, Section 1, Subdivision 1, as amended; and Section 2, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "\$350,000" and insert "\$300,000"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2065: A bill for an act relating to energy; appropriating money for a wood fuel conversion consortium between Independent School District Nos. 692, 696, 708 and Vermillion Community College.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2203: A bill for an act proposing an amendment to

the Minnesota Constitution, Article XIV, Section 11; removing certain restrictions on highway bonds.

Reports the same back with the recommendation that the bill do pass.

Mr. Davies moved that S. F. No. 2203 and the committee report thereon be laid on the table. The motion prevailed.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2080: A bill for an act relating to transportation; providing grants for paratransit projects; amending Minnesota Statutes, 1979 Supplement, Section 174.25, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 11, delete "*up to 100 percent of*"

Page 2, line 13, delete the period and insert "*as follows:*

- (a) *During the first year, 100 percent funding;*
- (b) *During the second year, 95 percent funding if the remaining five percent of the project is funded from local financial support;*
- (c) *During the third year and each successive year, 90 percent funding if the remaining ten percent of the project is funded from local financial support."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1415: A bill for an act relating to taxation; clarifying the taxable status of Title II property owned by a non-profit entity; amending Minnesota Statutes 1978, Section 272.02, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 272.02, Subdivision 1, is amended to read:

272.02 [EXEMPT PROPERTY.] Subdivision 1. Except as provided in other subdivisions of this section or, in section 272.025, or section 273.13, subdivisions 17, 17b and 17c, 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 or 17c*;

(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)~~ (9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

~~(11)~~ (10) 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 (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)~~ (11) 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)~~ (12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

~~(14)~~ (13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

~~(15)~~ (14) 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.

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)~~ (15) 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 lawful, 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.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 1, is amended to read:

273.115 [STATE PAID WETLANDS CREDIT.] Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of wetlands exempt from property taxation pursuant to section 272.02, subdivision 1, clause ~~(16)~~ (15) , by an amount equal to three-fourths of one percent of the average level of estimated market value of an acre of tillable land in the township or city in which the qualifying wetland is located, multiplied by the number of acres of wetlands he owns. Any excess of credit over tax liability shall not be paid to the property owner.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 2, is amended to read:

Subd. 2. The total amounts of credits allowed pursuant to subdivision 1 and the total amounts of revenue lost as a result of the exemption provided in section 272.02, subdivision 1, clause ~~(16)~~ (15) , shall be submitted by the county auditor to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. The amount of revenue lost as a result of the exemption shall be computed each year by applying the current mill rates of the taxing jurisdictions in which the wetlands are located to the assessed valuation of the wetlands for purposes of taxes levied in 1979, payable in 1980. Provided that payment to the county for lost revenue shall not be less than the revenue which would have been received in taxes if the wetlands had an assessed value of \$20 per acre. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 3, is amended to read:

Subd. 3. Payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the exemption provided in section 272.02, subdivision 1, clause ~~(16)~~ (15) , and the credit provided in this section.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 273.115, Subdivision 6, is amended to read:

Subd. 6. The amounts of the wetlands credit and the tax that would have been due but for the exemption in section 272.02, subdivision 1, clause ~~(16)~~ (15) shall be reflected on the property tax statement of each eligible taxpayer.

Sec. 6. Minnesota Statutes 1978, Section 273.13, Subdivision 17b, is amended to read:

**Subd. 17b. [VALUATION OF FARMERS HOME ADMINISTRATION PROPERTY IN MUNICIPALITIES OF UNDER 10,000.]** Notwithstanding any other provision of law, any structure

(a) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration,

(b) located in a municipality of less than 10,000 population,

(c) financed by a direct loan or insured loan from the farmers home administration, and

(d) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed at five 20 percent of the adjusted market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

**Sec. 7. [EFFECTIVE DATE.]** *This act is effective for taxes levied in 1980, payable in 1981.*"

**Amend the title as follows:**

Page 1, line 4, after the semicolon insert "eliminating obsolete language; increasing the assessment ratio applied to housing for elderly or low and moderate income persons financed by the farmers home administration;"

Page 1, line 4, after "Section" insert "273.13, Subdivision 17b; and Minnesota Statutes, 1979 Supplement, Sections"

Page 1, line 5, after "1" insert "; and 273.115, Subdivisions 1, 2, 3 and 6 "

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2201: A bill for an act relating to public debt; providing a maximum interest rate on certain obligations; amending Minnesota Statutes 1978, Section 475.55, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 474.06, is amended to read:

474.06 [MANNER OF ISSUANCE OF BONDS; INTEREST RATE.] Bonds authorized under this chapter shall be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale shall not be required, and the bonds may mature

at any time or times in such amount or amounts within 30 years from date of issue and may be sold at a price equal to such percentage of the par value thereof, plus accrued interest, and bearing interest at such rate or rates, *not exceeding nine percent per year*, as may be agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law. When bonds authorized under this chapter are issued, they shall state whether they are issued for a project defined in section 474.02, subdivisions 1, 1a, 1b or 1c.

Sec. 2. Minnesota Statutes 1978, Section 475.55, is amended to read:

475.55 [EXECUTION; NEGOTIABILITY; INTEREST RATES.] 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 July 1, 1981, shall not exceed the rate of ten percent per annum, payable half yearly. Interest thereon on obligations authorized thereafter shall not exceed the rate of seven 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.

Subd. 2. The provisions of subdivision 1 shall supersede ~~all provisions of any law or charter fixing a lower maximum interest rate fixed by any other law or a city charter with respect to obligations of the state or any municipality or governmental or public subdivision, district, corporation, commission, board, council, or authority of whatsoever kind, including warrants or orders issued in evidence of allowed claims for property or services furnished to the issuer, but shall not restrict the power of the issuer to fix limit the interest on any obligation in accordance with the issued pursuant to a law or charter authorizing its issuance the issuer to determine the rate or rates of interest.~~

Subd. 3. *Notwithstanding any contrary provisions of law or charter, special assessments pledged to the payment of obligations may bear interest at the rate the governing body by resolution determines, not exceeding the greater of (a) the maximum interest rate per annum which the obligations may bear under the provisions of subdivisions 1 and 2 plus one percent or (b) the maximum interest rate permitted to be charged against the assess-*

*ments under the law or city charter pursuant to which the assessments were levied.*

Sec. 3. Minnesota Statutes 1978, Section 475.60, Subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) Obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) Obligations sold by an issuer in an amount not exceeding the total sum of \$100,000 \$200,000 in any three month period;

(3) Obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately; and

(4) Obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency.

Sec. 4. *Section 1 of this act is effective July 1, 1981. Sections 2 and 3 are effective the day after final enactment.*"

Delete the title and insert:

"A bill for an act relating to public debt; fixing maximum interest rates on public obligations and assessments; excepting certain obligations from public sale requirements; amending Minnesota Statutes 1978, Sections 474.06; 475.55; and 475.60, Subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2117: A bill for an act relating to commerce; exempting savings associations from licensing and bonding requirements of safe deposit companies; deleting the dollar limitation on examination fees; amending Minnesota Statutes 1978, Sections 55.06, Subdivision 1; and 55.095.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1978, Section 50.14, Subdivision 5, is amended to read:

Subd. 5. (1) Class four shall be:

(a) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate, whether in fee or in a leasehold of a duration not less than ten years beyond the maturity of the loan, in any state of the United States, worth at least twice the amount loaned thereon;

(b) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) where ~~such the~~ notes or bonds do not exceed 80 percent of the appraised value of the security for the same, provided that ~~such the~~ notes or bonds are payable in instalments aggregating not less than five percent of the original principal per annum in addition to the interest; or, are payable on a regular amortization basis in equal instalments, including principal and interest, ~~such instalments to be payable monthly in a manner as the trustees of the bank prescribe and in such amounts that the debt will be fully paid in not to exceed 30 years if the security is non-agricultural real estate, and such the instalments to be payable annually or semi-annually in such amounts that the debt will be fully paid in not to exceed 25 years if the security is agricultural real estate. A construction loan shall be is deemed amortized as required by this clause if the first instalment thereon shall be is payable not later than 18 months after the date of the first advance in the case of residential construction or not later than 36 months after the date of the first advance in the case of nonresidential construction. A direct reduction loan shall not come due and payable under the original term of the loan other than by renegotiation where the final installment shall not be greater than twice any preceding regularly scheduled installment; and~~

(c) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) which are in an original principal amount of \$100,000 or more and which do not exceed 95 percent of the appraised value of the security for the same which may be payable in ~~such a~~ manner as the trustees of the bank shall prescribe, provided that construction loans made by a savings bank pursuant to this clause (1) (c) shall not exceed in the aggregate five percent of the assets of the savings bank.

(2) Class four investments shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

(3) Notwithstanding anything to the contrary in clause (1) (b), a mutual savings bank organized under the laws of this state may invest in notes or bonds secured by mortgages or trust deed where ~~such the~~ notes or bonds do not exceed 95 percent of the appraised value of the security for the same. Except as modified herein, the other provisions of clause (1) (b) shall apply.

(4) For purposes of this subdivision, real estate shall be is deemed unencumbered if the only existing mortgage or lien against the real estate is a first mortgage lien in favor of the savings bank making a second mortgage loan.

Sec. 2. Minnesota Statutes 1978, Section 51A.02, Subdivision 4, is amended to read:

Subd. 4. "Direct reduction loan" means a loan or other obligation repayable in consecutive monthly installments, equal or unequal, beginning not later than 90 days after the date of the advance, sufficient to retire the debt, interest, and principal within 35 years, the initial contract of which shall not provide for any subsequent monthly installment of interest and principal of an amount larger than any previous monthly installment, except that, the initial contractual payment schedule, and any subsequent payment schedule established in accordance with the contract only if the loan or obligation qualifies pursuant to the provisions of section 47.20. A direct reduction loan shall not come due and payable under the original term of the loan other than by renegotiation where the final installment shall not be greater than twice any preceding regularly scheduled installment. Notwithstanding the foregoing, provisions may be contained in such the contract which specify that one or more consecutive monthly installments may be lapsed to the extent that monthly installments have been made ahead of schedule or, in the event of an emergency to the borrower affecting his ability to pay, to the extent of no more than six monthly installments but that nevertheless the full amount of principal and interest shall be paid within the scheduled term of the loan; provided that in the case of construction loans the first installment under said the contract shall be is payable not later than 18 months after the date of the first advance. Any such loan or obligation is an amortized loan.

Sec. 3. Minnesota Statutes 1978, Section 51A.02, Subdivision 8, is amended to read:

Subd. 8. "Home property" means real estate on which there is located, or will be located pursuant to a real estate loan, either a structure designed for residential use by one family or a single condominium unit, or unit in a residential cooperative, including common all elements pertinent thereto, designed for residential use by one family in a multiple dwelling unit structure or complex, and shall include includes fixtures, furnishings and equipment installed and intended for use as part of the structure.

Sec. 4. Minnesota Statutes 1978, Section 51A.02, Subdivision 17, is amended to read:

Subd. 17. "Primary lending area" means the county in which the principal place of business is located and those counties immediately contiguous thereto and any additional areas within 100 miles from the home office of an association, provided that any association now or hereafter incorporated may enlarge its territory by making application to the commissioner state of Minnesota.

Sec. 5. Minnesota Statutes 1978, Section 51A.37, Subdivision 3, is amended to read:

Subd. 3. [REAL ESTATE LOANS.] Real estate loans in any amount not exceeding the value of the security, subject to the following conditions:

(a) No association shall make a real estate loan to one borrower if the sum of (1) the amount of *such the* loan and (2) the total balances of all outstanding real estate loans owed to *such the* association by *such the* borrower exceeds an amount equal to ten percent of *such the* association's savings liability or an amount equal to the sum of *such the* association's reserves for losses and undivided profits, whichever amount is less, except that any such loan may be made if the sum of (1) and (2) does not exceed \$100,000.

(b) An association may (1) participate with one or more financial institutions, or entities having a tax exemption under section 501(a) of the internal revenue code, in any real estate loan of the type in which *such the* association is authorized to invest on its own account, provided that the participating interest of *such the* association is not subordinated or inferior to any other participating interest; and (2) participate in *such* real estate loans with other than financial institutions or those entities described, provided that the participating interest of *such the* association is superior to the participating interests of *such the* other participants.

(c) The aggregate balances outstanding of real estate loans on real estate located outside the primary lending area of an association shall at no time exceed ten percent of the assets of the association, except that (1) loans insured or guaranteed in whole or in part by the United States, or a federal agency and (2) loans in which an association owns or has purchased no more than a 75 percent participation interest shall *are* not be subject to this restriction; and

(d) Direct reduction real estate loans on home property and not in excess of 90 percent of the value of the security except as may be provided by the Federal Home Loan Bank Board for federally insured associations, and direct reduction real estate loans on primarily residential property not in excess of 80 percent of the value of the security, including participating interests in *such the* loans, shall average annually, based on monthly computations, at least 70 percent of assets, other than liquid assets, held by the association.

(e) Real estate loans on home property by mortgage or contract for deed, as provided in clauses (a) through (d) above with no limit on purchase or sale thereof; and may participate with other lenders in *the* making, purchasing, or selling *such of the* loans, provided (1) the property securing same is within 100 miles of the ~~principal~~ servicing office of *such the* other lender or lenders and (2) that *such the* other lender or lenders participate to the extent of at least 25 ~~ten~~ percent in *such the* loan and further provided not more than 25 percent of the assets of the association licensed hereunder shall be in *such the* loan.

(f) An association may purchase, at any sheriff's judicial, or other sale, public or private, any real estate upon which it has a mortgage, judgment, or other lien, or in which it has any interest.

It may acquire title to any real estate on which it holds any lien, in full or part satisfaction thereof, and may sell, convey, hold, lease, or mortgage the same. In transactions involving the purchase by a vendee of improved real estate for home purposes, or for the construction of a home, a savings and loan association organized under the laws of this state, or of the United States of America, may, when authorized by its bylaws, acquire the title thereof, and it may give to the vendee a contract to convey the same as upon a sale thereof. Provided, that no association shall hereafter invest more than 50 percent of its assets in such contracts to convey. Upon default in the conditions of the contract, the association may terminate the interest of the vendee, his representatives or assigns by serving the notice provided by section 559.21, upon such *the* vendee, his representative or assigns."

Page 1, line 23, strike "shall be" and insert "is"

Page 2, lines 4, 15, 18 and 19, strike "such" and insert "*the*"

Page 2, lines 15 and 17, strike "said" and insert "*the*"

Page 2, line 19, strike "as he shall permit" and insert "*the commissioner permits*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing for investments in certain loans by savings banks and savings associations; defining terms;"

Page 1, line 6, after "Sections" insert "50.14, Subdivision 5; 51A.02, Subdivisions 4, 8, and 17; 51A.37, Subdivision 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 1806: A bill for an act relating to economic development; creating a small business finance agency with authority to sell tax exempt revenue bonds to provide loans for small business projects.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [362.50] [DEFINITIONS.] Subdivision 1. Each term defined in this section has the meaning given it whenever used in sections 1 to 5.

Subd. 2. "Agency" means the small business finance agency created in section 2.

Subd. 3. "Owner" means a person, partnership, firm, or cor-

poration engaged in a small business and applying to the agency for a loan under section 3.

Subd. 4. "Small business" means an enterprise defined as a small business concern in regulations of the United States small business administration pursuant to 15 U. S. Code, Sections 631 to 647, as in effect March 1, 1980, which is engaged in any industrial or commercial activity except:

- (a) Banking or other financial service;
- (b) Real estate brokerage, management, sale, ownership, or leasing;
- (c) Legal, medical, dental, accounting, engineering, or any other professional or consulting service;
- (d) Furnishing recreational or athletic facilities; and
- (e) Serving food or beverages to be consumed on or adjacent to the premises where they are sold.

Subd. 5. "Eligible small business" for the purpose of section 3, subdivision 5, means a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

- (a) Is not an affiliate or subsidiary of a business dominant in its field of operation; and
- (b) Has 20 or fewer full time employees or not more than the equivalent of \$1,000,000 in annual gross revenues in the preceding fiscal year.

Subd. 6. "Dominant in its field of operation" means having more than 20 full time employees and more than \$1,000,000 in annual gross revenues.

Subd. 7. "Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

Subd. 8. "Financial institution" means any bank or other financial corporation described in chapter 47, any insurance company licensed to do business under chapter 60A, and any securities broker-dealer licensed under chapter 80A.

Subd. 9. "Business loan" means a loan, other than a pollution control loan, to the owner of a small business for the interim or long term financing of capital expenditures for the acquisition or improvement of land, construction or improvement of buildings, or acquisition and installation of fixtures and equipment useful for the conduct of the business.

Subd. 10. "Pollution control loan" means a federally guaranteed loan to the owner of a small business for the acquisition, construction, or improvement of pollution control facilities as defined by

federal law authorizing the guaranty. On the effective date of this section such facilities as are defined in 15 U. S. Code, Sections 694-1 and 694-2, and such real and personal property as the United States small business administration, in its discretion, determines is likely to help prevent, reduce, abate, or control noise, air, or water pollution or contamination by removing, altering, disposing, or storing pollutants, contaminants, wastes, or heat, and such real and personal property as the administration determines will be used for the collection, storage, treatment, utilization, processing, or final disposal of solid or liquid waste shall qualify as a project for a pollution control loan.

**Sec. 2. [362.51] [SMALL BUSINESS FINANCE AGENCY.]**  
**Subdivision 1.** A small business finance agency is hereby created and is constituted as an authority to act on behalf of the state within the scope of the powers granted to it in sections 1 to 5 to implement a loan program by which, in cooperation with cities, towns, counties and private or public lenders, adequate funds may be provided on sufficiently favorable terms to assist and encourage the establishment, maintenance and growth of small business in Minnesota and to reduce to a manageable level the cost of the control of pollution and disposal of waste resulting from the operations of small business.

**Subd. 2.** Sections 1 to 5 are enacted to promote the welfare and prosperity of the state by maintaining and increasing the career and job opportunities of its citizens, by reducing, controlling and preventing environmental pollution and waste of resources and by protecting and enhancing the tax base on which state and local governments depend for the financing of public services.

**Subd. 3.** Neither the state nor any other agency or political subdivision of the state shall be liable on any bond, note or other obligation of the agency, and no bond, note, or other obligation of the agency shall constitute a debt or loan of credit of the state or any political subdivision or any individual member of the agency.

**Subd. 4.** The state pledges and agrees with all holders of obligations of the agency that it will not limit or alter the rights vested in the agency to fulfill their terms, and will not in any way impair the rights or remedies of the holders, until all of the obligations and interest on them, with interest on any unpaid installments of interest and all costs and expenses in connection with any action or proceeding by or on behalf of such holders to enforce the payment and other provisions of the obligations, are fully met and discharged. The agency is authorized to include and recite this pledge and agreement of the state in any obligation or related document.

**Subd. 5.** The provisions of this section do not affect the power of the state to supervise and control the agency or to discontinue its operation or alter its organization, programs or activities or transfer its powers to a successor agency, provided that the action of the state is consistent with the provisions of subdivision 4 and

that title to all property then owned by the agency will remain or vest in the agency, its successor or the state, as the case may be.

Subd. 6. The property of the agency and its income and operation shall be exempt from all taxation by the state or any of its political subdivisions and all bonds and notes of the agency shall be exempt from all taxation by the state or any of its political subdivisions.

Subd. 7. The state covenants with the purchasers and all subsequent holders and transferees of notes and bonds issued by the agency in consideration of the acceptance of and payment for the notes and bonds, that the notes and bonds of the agency issued pursuant to sections 1 to 4 and the income therefrom and all its fees, charges, gifts, grants, revenues, receipts, and other moneys received or to be received, pledges to pay or secure the payment of such notes or bonds shall at all times be free and exempt from all state, city, county or other taxation provided by the laws of the state, except for estate and gift taxes and taxes on transfers, and except for the Minnesota corporate franchise tax measured by income, so long as the interest on federal bonds is included in the income by which such tax is measured.

Subd. 8. The members and governing body of the agency shall be the commissioner of economic development and six other members holding no other elective or appointive office of the state or any local government, appointed by the governor with advice and consent of the senate. The commissioner shall be vice chairman, and the governor shall designate the chairman from among the other members, to serve as chairman at the pleasure of the governor. Minnesota Statutes, Section 15.0575, governs the terms, compensation, removal and filling of vacancies in the offices of members other than the commissioner.

Subd. 9. The members shall be responsible for management and control of the agency. A majority of the members, excluding vacant memberships, is a quorum. When a quorum is present at any meeting of which notice has been given to or waived by all absent members in the manner provided in bylaws adopted by the vote of a majority of all members, any action of the agency may be taken by the vote of a majority of the members present. Fewer than a quorum may hear reports and adjourn from time to time.

Subd. 10. The commissioner of economic development shall designate an assistant commissioner as executive director of the agency and may appoint permanent and temporary employees necessary for the administration of the agency. The governing body of the agency may enter into agreements under which the department will provide administrative support for the agency.

Sec. 3. [362.52] [LOANS.] Subdivision 1. The agency may make or purchase or participate with financial institutions in making or purchasing business loans and pollution control loans

upon the conditions described in this section, and may enter into commitments therefor.

Subd. 2. The agency may participate with financial institutions in making or purchasing business loans not exceeding \$1,000,000 in principal amount, to be serviced by such institutions, provided that:

(a) The agency's share shall not exceed 90 percent of the total principal amount, and shall be payable with interest at the same times but not necessarily at the same interest rate as the share of the financial institution, and both shares shall be equally and ratably secured by a valid mortgage on or security interest in real and personal property;

(b) The total principal amount shall not exceed 90 percent of the value of the property securing the loan, unless the amount in excess of 90 percent is:

(1) Loaned from available funds which are not proceeds received directly from the sale of the agency's bonds or notes and are not restricted under the terms of any resolution or indenture securing bonds or notes, or

(2) Insured or guaranteed by a federal agency or by a private insurer qualified to write such insurance in the state, insuring a percentage of any claim for loss at least equal to that percentage of the value by which the loan exceeds 90 percent thereof;

(c) The value of the property securing the loan shall be certified by the participating financial institution, on the basis of such appraisals, bids, purchase orders, and engineers' certificates as the agency may require; provided that the value of items purchased and constructed from the proceeds of the loan shall not be deemed to exceed the contract price of purchase or construction:

(d) The agency shall not disburse funds under a commitment to participate in a loan for the construction or substantial improvement of property until the construction or improvement has been completed in accordance with plans and specifications, unless the financial institution furnishes an irrevocable letter of credit or a qualified corporate surety furnishes payment and performance bonds, satisfactory to the agency and in an aggregate amount equal to the amount payable under the construction contract; and

(e) No other indebtedness may be secured by a mortgage on or security interest in property securing a business loan made or purchased pursuant to this subdivision.

Subd. 3. The agency may make business loans not exceeding \$100,000 in principal amount, provided that each such loan shall be made only from the proceeds of a bond or note sold and issued to a financial institution, payable exclusively from the repayments of principal and interest on the loan, which shall be assigned to and serviced by the financial institution.

Subd. 4. The agency may make pollution control loans, when

evidenced and secured by qualified contracts under which the full amount of payments due is guaranteed or to be guaranteed, as a full faith and credit obligation of the United States, by the United States small business administration or by another agency or instrumentality of the United States to which the same or similar power may be granted.

Subd. 5. The agency shall make every effort to assure that at least 50 percent of the principal amount of the loans made or purchased by the agency in each fiscal year consists of loans with a principal amount of \$100,000 or less to eligible small businesses as defined in section 1, subdivision 5, and shall provide technical assistance needed by eligible small business owners to complete applications and meet other requirements for those loans. The agency shall report to the legislature annually on or before October 1 as to its compliance with the requirements of this subdivision during the preceding fiscal year.

Subd. 6. (a) Each financial institution which participates in a pollution control or business loan with the agency shall annually on or before March 1 submit a report for the prior calendar year to the agency on a form prescribed by the state auditor. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan and any other information as the state auditor may reasonably require.

(b) The agency shall annually on or before May 1 submit a report on a form prescribed by the state auditor for the prior calendar year to the state auditor on all loans which it makes purchases or participates in. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan and any other information as the state auditor may reasonably require.

(c) The state auditor shall annually on or before July 1 submit a report for the prior calendar year to the governor and the legislature summarizing the report submitted pursuant to clause (b).

(d) The cost of preparing and submitting the reports required by this subdivision shall be borne by the party submitting it. Any financial institution which fails to comply with the requirements of this subdivision shall be prohibited from participating in future loans until it complies.

Sec. 4. [362.53] [POWERS; DUTIES.] Subdivision 1. In implementing its corporate purposes and the programs described in sections 1 to 5, the agency shall have the powers and duties set forth in this section.

Subd. 2. It may sue and be sued.

Subd. 3. It may have a seal and alter the same at will.

Subd. 4. It may adopt, amend and repeal rules not inconsistent

with the provisions of sections 1 to 5 as necessary to effectuate its corporate purposes.

Subd. 5. It may acquire, hold and dispose of personal property for its corporate purposes.

Subd. 6. It may enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association or organization.

Subd. 7. It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect any loan in which the agency has an interest and may sell, transfer and convey any such property to a buyer and, in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, may lease such property to a tenant.

Subd. 8. It may sell, at public or private sale, any note, mortgage or other instrument or obligation evidencing or securing a loan.

Subd. 9. It may procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable.

Subd. 10. It may consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment or any installment of principal or interest, or any other term, of any mortgage loan, mortgage loan commitment, construction loan, temporary loan, contract or agreement of any kind to which the agency is a party.

Subd. 11. It may borrow money to carry out and effectuate its corporate purpose and may issue its negotiable bonds or notes as evidence of any such borrowing in accordance with sections 462A.-08 to 462A.13, 462A.16 and 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The aggregate principal amount of the agency's bonds and notes outstanding at any one time, excluding the amount satisfied and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve funds therefor, shall not exceed \$100,000,000 unless authorized by another law.

Subd. 12. It may issue and sell bonds, notes and other obligations payable solely from particular moneys, assets or revenues derived from its programs notwithstanding section 462A.08, subdivision 3.

Subd. 13. It may sell any of its obligations at public or private sale, at such price or prices as the agency shall determine, notwithstanding the limitation on sale price in the fourth sentence of section 462A.09.

Subd. 14. It may establish and collect reasonable interest and amortization payments on loans, and in connection therewith may establish and collect or authorize the collection of reason-

able fees and charges or require funds to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for the servicing thereof, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative and project assistance services. It shall require the payment of all processing, administrative and guarantee fees and the deposit in escrow of all funds required by the small business administration or other federal agency or instrumentality guaranteeing any loan and shall comply and enforce compliance with all terms and conditions of each guarantee, and the prompt filing of all claims which may arise thereunder.

Subd. 15. It may cause any funds not required for immediate disbursement to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the federal savings and loan insurance corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the federal deposit insurance corporation and maturing within one year or less. It may deposit funds in excess of the amount insured with security as provided in chapter 118. Notwithstanding the foregoing, it may invest and deposit funds into accounts established pursuant to resolutions or indentures securing its bonds or notes in such investments and deposit accounts or certificates, and with such security, as may be agreed therein with the holders or a trustee for the holders.

Subd. 16. It may provide general consultative and technical services to assist in financing small business facilities for which loans may be made pursuant to section 3. It may enter into agreements or other transactions concerning the receipt or provision of those services.

Subd. 17. Financial information, including, but not limited to, credit reports, financial statements and net worth calculations, received or prepared by the agency regarding any project loan is private data on individuals as defined in Minnesota Statutes, Section 15.162, Subdivision 5a.

Subd. 18. It may accept appropriations, gifts, grants, bequests and devises and use or dispose of them for its corporate purposes.

Subd. 19. All proceeds of the agency's bonds, notes and other obligations, any amounts granted or appropriated to the agency for the making or purchase or the insurance or guaranty of loans or for bond reserves, all income from their investment and all revenues from loans, fees and charges of the agency are annually appropriated to the agency for the accomplishment of its corporate purposes and shall be expended, administered and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures and other instruments,

contracts, and agreements of the agency. Notwithstanding Minnesota Statutes, Section 16A.28, these appropriations are available until expended.

**Sec. 5. [362.132] [SMALL BUSINESS FINANCE AGENCY.]** The commissioner of economic development may enter into agreements or transactions with the small business finance agency created under section 2 to perform any or all administrative tasks in connection with the exercise and implementation of the powers and programs of the small business finance agency.

**Sec. 6.** Pursuant to article XI, section 2, of the constitution, the supreme court shall have original jurisdiction in any case in which a remedy is sought based on an allegation that the application of any provision of this act to any alleged facts is or may be contrary to any provision of the constitution.

**Sec. 7. [EFFECTIVE DATE.]** This act is effective the day following final enactment."

Amend the title by deleting it and inserting:

"A bill for an act relating to economic development; creating a small business finance agency with authority to issue and sell tax exempt obligations to provide loans for small business and pollution control projects; requiring reports."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1666: A bill for an act relating to education; eliminating the requirement that school districts make referendum levies in order to qualify to make certain discretionary levies; amending Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 7a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

## "ARTICLE I FOUNDATION AID

Section 1. Minnesota Statutes 1978, Section 124.214, Subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such changed valu-

ations, the county auditor shall, prior to February 1 of each year, beginning in 1979, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In August of each year, beginning in 1979, when the district's net revenue loss during the preceding year exceeds \$1 per pupil unit in the district in the most recent school year for which data is available, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, subdivision 2a, clause (1) or (2), subdivision 5, and subdivision 13, to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 2. Minnesota Statutes, 1979 Supplement, section 124.224, Subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] This section shall expire June 30, 1980 with the final 1980 payment pursuant to subdivision 7.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 7a, is amended to read:

Subd. 7a. (1) In 1979 each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), (2), and (4); 6b; and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one-half mill times the district's 1978 adjusted assessed valuation or (b) the product obtained by multiplying \$27.50 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the 1979-1980 school year.

(2) In 1980 and each year thereafter, each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), and (2) and (4); 6b; and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one mill times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (i) the ratio of the equalizing factor to 1,000, times (ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the school year when the levy is certified.

(3) By August 1 before a district certifies any levy pursuant to this subdivision in 1979, or By the July 1 before a district certifies any levy pursuant to this subdivision in 1980, in any even-numbered year thereafter, or in any odd-numbered year thereafter when the district has not certified a levy pursuant to this subdivision in the preceding year, the board of the district shall hold a public hearing on the need for the proposed levy pursuant to this

subdivision. At least three weeks published notice of the hearing in 10 point type, on 12 point body, 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 the proposed levy in dollars and mills, the net unappropriated fund balance in the district's operating funds as of the June 30 before the levy is certified, and the tax impact of the proposed levy on homesteads with market values of \$30,000 and \$50,000. At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and the net unappropriated fund balances in all district funds as of the June 30 before the levy is certified, and the board shall hear all parties requesting to give testimony for and against the proposed levy. Upon petition within 20 days after the hearing of five percent of the number of voters who voted in the district at the preceding statewide general election, the board shall call a referendum on a reduction of the proposed levy. The petition shall state the number of mills on the district's adjusted assessed valuation by which it proposes to reduce the proposed levy. No petition or referendum shall provide for a reduction of a proposed levy pursuant to this subdivision to a rate less than one-half mill on the district's adjusted assessed valuation below the rate levied by the district pursuant to this subdivision in the preceding year. The referendum shall be held on a date set by the school board, but no later than ~~September 20 in 1979~~ or the August 20 before the levy is certified in ~~subsequent years~~. The question on the ballot shall state the maximum amount of the proposed levy; the amount of the proposed reduction of the levy; and the amount of the levy if the reduction is approved, in mills on the district's adjusted assessed valuation and in dollars in the first year of the proposed levy. The district may levy the amount provided by the millage proposed by the school board, reduced by any reduction in millage approved at a referendum pursuant to this clause, applied to the preceding year's adjusted assessed valuation until the next even-numbered year. The district is not required to hold a public hearing or call a referendum on a levy pursuant to this subdivision in any odd-numbered year ~~after 1979~~ which succeeds a year in which a levy is certified pursuant to this subdivision.

Sec. 4. [DEFICIENCY APPROPRIATION; 1979 SUMMER SCHOOL.] *The sum of \$685,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for the payment of a deficiency in funds available for the payment of foundation aid for 1979 summer school programs. This appropriation shall be added to the amount appropriated and allocated for aid for foundation aid for 1979 summer school programs in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 3.*

Sec. 5. [DEFICIENCY APPROPRIATION; SPARSITY AID.] *Subdivision 1. The sum of \$30,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for a deficiency in funds available for the payment of sparsity aid. This appropriation shall be added to the amount*

*appropriated for sparsity aid in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 4.*

*Subd. 2. The sum of \$6,000 is appropriated from the general fund to the department of education for the year ending June 30, 1981, for a deficiency in funds available for the payment of sparsity aid. This appropriation shall be added to the amount appropriated for sparsity aid in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 4.*

**Sec. 6. [DEFICIENCY APPROPRIATION; SCHOOL LUNCH.] Subdivision 1. [1980.]** *The sum of \$160,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for the payment of the deficiency in funds available for school lunch aid in that year, pursuant to section 124.646. This appropriation shall be added to the sum appropriated for fiscal year 1980 in Laws 1979, Chapter 334, Article VI, Section 35, Subdivision 8.*

*Subd. 2. [1981.] The sum of \$160,000 is appropriated from the general fund to the department of education for the year ending June 30, 1981, for the payment of the deficiency in funds available for school lunch aid in that year, pursuant to section 124.646. This appropriation shall be added to the sum appropriated for fiscal year 1981 in Laws 1979, Chapter 334, Article VI, Section 35, Subdivision 8.*

**Sec. 7. [RETROACTIVE EFFECTIVE DATE.]** *Section 1 of this article is effective retroactive to August 1, 1979.*

**Sec. 8. [EFFECTIVE DATE.]** *Sections 1, 3, 4, 5, and 6 of this article are effective the day following final enactment.*

## ARTICLE II TRANSPORTATION

**Section 1.** Minnesota Statutes, 1979 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) 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 private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

(2) 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 or the pupil's residence;

(3) 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) 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 during the school day to other buildings 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 one mile requirement for aid provided in clause (1) ;*

(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) 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) Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) Services described in clauses (1) to (7) and *clause clauses (9) and (10) when provided in conjunction with a state board approved summer school program;*

(9) 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) 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. 2. Minnesota Statutes, 1979 Supplement, Section 124.225, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.] Subdivision 1. 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 shall be considered one region, development regions 4 and 5 shall be considered one region, development regions 6E and 6W shall be considered one region, and development regions 7E and 7W shall be considered one region.*

(c) "Total authorized cost" or "total authorized expenditure" means the sum of:

(i) all expenditures for transportation for which aid is authorized in section 124.223, plus

(ii) 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 12½ percent per year of the cost of the fleet, plus

(iii) 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 33½ percent per year of the cost to the district of the reconditioning.

~~(e)~~ (d) "Total authorized predicted cost" means the total authorized cost predicted by a linear multiple regression formula determined by the department of education.

~~(e)~~ (e) For the 1979-1980 school year, "regular and summer school authorized FTE's transported" means full time equivalent pupils transported under section 124.223, clause (1), during the regular school year and in conjunction with a state board approved summer school program.

(f) "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) 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) Secondary vocational center transportation is transportation services provided under section 124.223, clause (3);

(iii) Handicapped transportation is transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(iv) 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;

(vi) Shared time special education transportation is transporta-

tion services for pupils attending shared time special education classes provided under section 124.223, clause (6);

(viii) 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) Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);

(g) "Pupil weighting factor" means the ratio of the actual regional average cost per FTE in a particular transportation category to the actual regional average cost per FTE in the regular transportation category.

(h) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(i) "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 may be a neutral site as defined in section 123.932, subdivision 9.

*Subd. 1a.* In computing transportation aid for each school year, the department of education shall establish the pupil weighting factors for each transportation category for each region 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 had no experience during the second prior school year.

*Subd. 2.* For the 1979-1980 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 linear regression formula shall be determined for each planning region by the department of education, using the terms specified in subdivision 4, to maximize the amount of variance accounted for between the total actual authorized cost per FTE for the 1977-1978 school year and the total authorized predicted cost per FTE for the 1977-1978 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per FTE for the 1977-1978 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 5 and 7. The linear regression formulas shall be determined so that the total transportation aid for the 1979-1980 school year does not exceed the amount appropriated for transportation aid for the 1979-1980 school year.

*Subd. 3.* For the 1980-1981 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 linear multiple regression formula shall be determined *through stepwise multiple regression analysis* for each planning region by the department of education, using the terms specified in subdivision 4 *4a*, to maximize the amount of variance accounted for between the total actual authorized cost per *weighted* FTE for the 1978-1979 school year and the total authorized predicted cost per *weighted* FTE for the 1978-1979 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per *weighted* FTE for the 1978-1979 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 6 and 7 *7a*. The linear regression formulas shall be determined so that the total transportation aid for all districts for the 1980-1981 school year does not exceed the amount appropriated for transportation aid for the 1980-1981 school year.

Subd. 4. To predict the natural logarithm of the total authorized cost per FTE transported authorized by law for the 1979-1980 school year, the linear regression formula shall use the following terms and all their cross products:

(1) The natural logarithm of the quotient of 1.00 divided by the total number of authorized FTE's transported;

(2) The natural logarithm of the sum of 100 plus the difference between the average of the square roots computed for all districts in the state of the number of regular and summer school authorized FTE's transported per square mile minus the square root of the number of regular and summer school authorized FTE's transported per square mile in the district;

(3) The natural logarithm of the ratio of the number of regular and summer school authorized FTE's transported to the district's total average daily membership;

(4) The natural logarithm of the number of regular and summer school authorized FTE's transported per square mile;

(5) The natural logarithm of the district's average daily membership;

(6) The natural logarithm of the size of the district measured in square miles; and

(7) The natural logarithm of the total number of FTE's transported by the district authorized for aid pursuant to section 124.223 minus the number of regular and summer school authorized FTE's transported.

*Subd. 4a. To predict the total authorized cost per weighted FTE for each district beginning in the 1980-1981 school year, each regional multiple regression formula shall use the following terms and their squares for each district in the region:*

(1) *The area of the district measured in square miles;*

(2) *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) *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) *The percentage of the district's square mile area which is classified by the state planning agency as water-covered or marshland;*

(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 state planning agency;*

(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.*

Subd. 5. The total authorized predicted cost per FTE determined for a district under subdivision 2 for 1977-1978 shall be increased by 17 26 percent.

Subd. 6. The total authorized predicted cost per *weighted* FTE determined for a district under subdivision 3 for 1978-1979 shall be increased by 17 28 percent.

Subd. 7. (1) Each district's adjusted total authorized predicted cost per FTE determined for each *the* 1979-1980 school year according to subdivision 5 or 6 shall be compared to the total actual expenditure per FTE for authorized transportation for that district for that year to determine the district's aid entitlement per FTE for that year.

(2) *For the 1979-1980 school year*, if the adjusted total authorized predicted cost per FTE is greater than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted predicted cost per FTE minus 10 percent of the first \$10 of difference between the adjusted total authorized predicted cost per FTE and the actual expenditure per FTE; minus 20 percent of the next \$20; minus 40 percent of the next \$20; minus 60 percent of the next \$50; and minus 75 percent of the difference which exceeds \$100.

(3) *For the 1979-1980 school year*, if the adjusted total authorized predicted cost per FTE is less than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted total authorized predicted cost per FTE plus 10 percent of the first \$10 of difference between the adjusted predicted cost per FTE and the actual expenditure per FTE; plus 20 percent of the next \$20; plus 40 percent of the next \$20; plus 60 percent of the next \$50; and plus 75 percent of the difference which exceeds \$100.

(4) Notwithstanding clauses (2) and (3), for the 1979-1980 school year, no district's aid entitlement per FTE shall be less than its actual authorized expenditure per FTE minus \$20 or more than its actual authorized expenditure per FTE plus \$20.

Subd. 7a. (1) *Each district's adjusted total authorized predicted cost per weighted FTE determined for the 1980-1981 school year and each year thereafter according to subdivision 6 shall be compared to the total actual expenditure per weighted FTE for authorized transportation for that district for that year to determine the district's aid entitlement per weighted FTE for that year.*

(2) *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*

10 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 20 percent of the next \$20; 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 10 percent of the first \$10 of difference between the adjusted predicted cost per weighted FTE and the actual expenditure per weighted FTE; plus 20 percent of the next \$20; plus 75 percent of the difference which exceeds \$30.

Subd. 8. A district's aid pursuant to this section for each the 1979-1980 school year shall equal the district's aid entitlement per FTE determined according to subdivision 7 times the total number of authorized FTE's transported in the district in that 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 that school year.

Subd. 8a. A district's aid pursuant to this section for the 1980-1981 school year and each year thereafter 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 times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Subd. 9. Each district shall report 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. 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 of each year, 1980, each district shall provide the department with the information for the preceding 1979-1980 school year which the department determines is necessary to compute the district's actual authorized expenditure per FTE for purposes of the computation in subdivision 7 and the district's actual total number of FTE's transported for purposes of the aid computation in subdivision 8. Before August 15, 1981, and each August 15 thereafter, 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 that the school year shall be based on these computations.

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 bus purchase transportation fund at least an amount equal to 12½ 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 33⅓ 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. 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 bus purchase transportation fund.

Nothing in this subdivision shall permit a district to amortize the cost of a mobile unit purchased with funds received pursuant to section 9 of this article.

Subd. 11. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, 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.

Sec. 3. Minnesota Statutes 1978, 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 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 annual cash payments to be made for the purchase of buses, or mobile units, as defined in section 2 of this article, or the reconditioning of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation the amount transferred to the district bus purchase fund pursuant to section 124.225, subdivision 10. Beginning with the levy certified in 1976, A district may 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. 4. Minnesota Statutes 1978, Section 275.125, Subdivision 5a, is amended to read:

Subd. 5a. Upon approval of the commissioner, a district may levy for increased transportation costs above the formula limitation resulting from changes in transportation patterns required by leasing a school in another district provided that the cost increases are estimated to be a direct result of leasing that school and the increases result in costs above the formula limitation. When the transportation patterns of a district change as a result of leasing a

*school in another district, the district may, upon approval of the commissioner, levy for any increase in transportation cost above the cost that would occur without the leasing of the school. The commissioner shall approve a specific dollar amount which may be levied because of these increased costs. The levy authorized by this subdivision may be computed on the basis of estimated increased costs. In the first year a district makes the levy authorized by this subdivision, the commissioner may authorize a levy sufficient to pay for estimated increased costs resulting from leasing for two years. The amount provided by this levy shall not be included in the computation of the actual net operating cost per pupil transported in future years.*

*Sec. 5. In accordance with section 648.34, in the next edition of Minnesota Statutes, the revisor of statutes shall renumber section 124.224 as section 124.2131 and alter references to it in the statutes to conform to the change.*

*Sec. 6. Laws 1979, Chapter 334, Article 2, Section 15, Subdivision 2, is amended to read:*

*Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:*

*\$89,228,000 \$ 92,925,700 . . . . 1980,*

*\$92,512,000 \$103,766,000 . . . . 1981.*

*The appropriation for 1980 includes \$7,600,700 for aid for fiscal year 1979 payable in fiscal year 1980, and \$81,627,300 \$85,325,000 for aid for fiscal year 1980 payable in fiscal year 1980.*

*The appropriation for 1981 includes \$9,000,000 \$9,969,000 for aid for fiscal year 1980 payable in fiscal year 1981 and \$83,512,000 \$93,797,000 for aid for fiscal year 1981 payable in fiscal year 1981.*

*Sec. 7. Laws 1979, Chapter 334, Article 2, Section 15, Subdivision 3, is amended to read:*

*Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1980 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 appropriated amount attributable to either year for any purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts. The state shall not be obligated for any amount in excess of the appropriations in this section for those purposes.*

*Sec. 8. Subdivision 1. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development regions 1 and 2 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.*

*Subd. 2. There is appropriated from the general fund to the*

department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development regions 6 and 8 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.

Subd. 3. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development region 4 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.

Subd. 4. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development region 10 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services.

Subd. 5. The appropriations in this section are available until June 30, 1981.

Sec. 9. [MOBILE UNITS.] Subdivision 1. For purposes of this section, "mobile unit" has the meaning given it in section 2 of this article.

Subd. 2. Notwithstanding section 124.212, subdivision 9b, or any other section, for the 1980-1981 school year the commissioner of education shall make grants to ten school districts for the experimental use of mobile units to provide any of the following programs and services to public and nonpublic school pupils: diagnostic testing, health services, as defined in section 123.932, subdivision 11, and guidance and counseling services, as defined in section 123.932, subdivision 10, both in accordance with the provisions of section 123.935; and special instruction and services for handicapped children, as defined in section 120.03. Any pupil support service which a district offers through the mobile unit pursuant to this subdivision to public school pupils it shall also offer through the mobile unit to nonpublic school pupils who have requested the services pursuant to section 123.935.

Subd. 3. A district may use the grant funds to purchase or rent a mobile unit, to remodel, equip and operate it, and to pay for any costs incurred in providing the authorized programs and services; except that the district may not use the grant funds to pay the salaries of the professional instructional staff who work in the mobile unit.

Subd. 4. The commissioner shall prescribe the form, manner and time of application for the grants and shall select the participating school districts.

Subd. 5. The programs and services authorized by subdivision

2 shall be provided by public employees at neutral sites as defined in section 123.932, subdivision 9. The programs and services provided to nonpublic school pupils shall be limited to those for which the district provides equivalents, through the mobile unit program or otherwise, to public school pupils. The amount a district spends through the mobile unit program and otherwise for a program or service to nonpublic school pupils shall be no greater on a per pupil basis than the amount it spends through the mobile unit program and otherwise for the equivalent program or service for public school pupils.

Subd. 6. A district receiving a grant shall report to the commissioner of education by August 1, 1982 on the effectiveness of the mobile unit program in the district. The commissioner shall report to the education committees of the legislature on the effectiveness of the program by December 1, 1982.

Sec. 10. Notwithstanding section 123.937, the funds to pay for the grant program established pursuant to section 9 of this article shall be taken from the appropriation made pursuant to section 123.937 for the fiscal year ending June 30, 1981.

Sec. 11. Subdivision 1. Before February 1, 1981, the department of education shall report to the appropriate committees of the legislature on proposed measures for economy and cost effectiveness in school transportation and related services. The report shall include a study of the existing administration of transportation services based on a sampling of school districts of representative sizes and locations, and other data throughout the state. The report shall also include recommendations by the department on the following:

(1) Measures by districts to reduce fuel costs, conserve fuel and increase the overall efficiency of transportation and related services;

(2) Adjustments to the transportation aid entitlement formula; and

(3) Measures by the department of education which will assist districts in reducing their costs for transportation and related services.

Subd. 2. After February 1, 1981, the department of education shall provide technical assistance to school districts which request it for developing computer assisted bus routing plans.

Subd. 3. The department of education may increase its staff complement by two professional employees and one clerical employee for the purposes of subdivisions 1 and 2. The department may also contract with consultants or employ necessary temporary personnel for the purposes of subdivision 1.

Sec. 12. There is appropriated from the general fund to the department of education the sum of \$150,000 for the purposes of section 11 of this article. This appropriation is available until June 30, 1981.

**Sec. 13. [REPEALER.]** *Minnesota Statutes, 1979 Supplement, Section 124.222, Subdivision 3, is repealed.*

**Sec. 14. [EFFECTIVE DATE.]** *This article is effective the day following final enactment.*

### ARTICLE III SPECIAL EDUCATION

**Section 1.** *Minnesota Statutes 1978, Section 120.17, Subdivision 1, is amended to read:*

**120.17 [HANDICAPPED CHILDREN.]** *Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.]*

*(1) Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03.*

*(2) (a) For the 1980-1981 and 1981-1982 school years, school age means the ages of four years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent. The department of education shall, in cooperation with the department of health and the department of welfare, design a statewide plan and conduct a statewide assessment of the special education and related service needs of all handicapped children younger than four years of age as of September 1, 1980. The statewide plan shall provide for a comprehensive delivery system to be implemented through inter-agency cooperation. The procedures for the needs assessment shall be designed by September 1, 1980, and be implemented during the 1980-81 school year. During the 1981-82 school year, every district shall, using the statewide comprehensive delivery system plan formulated by the department of education in cooperation with the department of health and the department of welfare, prepare an estimate of the number of students it shall serve, pursuant to clauses (b), (c), (d), and (e). The estimate shall be transmitted to the department of education on forms provided by the department before September 1, 1981. The estimate shall be updated annually through 1985. The updated estimate shall be transmitted to the department of education before September 1 of each year.*

*(b) For the 1982-1983 school year, school age means the ages of three years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.*

*(c) For the 1983-1984 school year, school age means the ages of two years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.*

*(d) For the 1984-1985 school year, school age means the ages of one year to 21 years for children who are handicapped as de-*

*fined in section 120.03 and shall not extend beyond secondary school or its equivalent.*

*(e) For the 1985-1986 school year and thereafter, school age means from birth to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be his age as of September 1 of the calendar year in which the school year for which he seeks special instruction and services commences.*

*(3) Every district may provide special instruction and services for handicapped children who have not attained school age. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full sequence of programs for education, training and services for handicapped children as defined in section 120.03. In complying with clause (2), subclauses (b), (c), (d) and (e) of this subdivision, districts shall cooperate with head start programs, developmental achievement centers and other existing programs which provide services for handicapped children below age four to provide a full sequence of programs for education, training and services for those children.*

Sec. 2. Minnesota Statutes 1978, Section 124.48, is amended to read:

124.48 [INDIAN SCHOLARSHIPS.] The state board may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry and who, in the opinion of the board, has the capabilities to benefit from education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools or in accredited or approved college preparatory schools. Scholarships shall be used to defray tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The amount and type of each such scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year he is eligible for additional scholarships, if additional training is necessary to reach his educational and vocational objective. Scholarships may not be given to any Indian student for more than four years of study.

*A scholarship for college preparatory school may not be given to any Indian student for more than four years of study. A scholarship for advanced or specialized education in college, business, technical or vocational schools may not be given to any Indian student for more than four years of study.*

*For the purposes of this subdivision, an accredited or approved college preparatory school is a private secondary school which (1) is fully accredited by either the North Central Association of*

*Secondary Schools and Colleges or the Independent Schools Association of the Central States, (2) is making satisfactory progress toward full accreditation by either the North Central Association of Secondary Schools and Colleges or the Independent Schools Association of the Central States, or (3) is determined by the board to maintain programs and standards substantially equivalent to those institutions in Minnesota which are fully accredited.*

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 126.54, Subdivision 1, is amended to read:

126.54 [PILOT PROGRAMS.] Subdivision 1. [GRANTS; PROCEDURES.] For fiscal years 1978, 1979, and 1980, as part of the needs assessment effort year 1981, the state board of education shall make grants to no fewer than six school year pilot American Indian language and culture education programs. At least three pilot programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of pilot American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 4. [PROGRAM FOR PUPILS OF LIMITED ENGLISH PROFICIENCY.] Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Pupil of limited English proficiency" means a pupil in any of grades kindergarten through 12 who meets the following requirements:

(i) the pupil, as declared by his parent or guardian either (A) first learned a language other than English; or (B) comes from a home where the language usually spoken is other than English; or (C) usually speaks a language other than English; and

(ii) the pupil's score is significantly below the average district score for pupils of the same age on a nationally normed English reading or English language arts achievement test. A pupil's score shall be considered significantly below the average district score for pupils of the same age if it is one-third a standard deviation below that average score.

(b) "Essential instructional personnel" means the following for an English as a second language program:

(i) a teacher with an emergency exemption from a license requirement pursuant to subdivision 7, who is employed in the district's English as a second language program; and

(ii) any teacher licensed by the state, provided that the district assures the department that the teacher will obtain the in-service training the department considers necessary to enable the teacher to provide appropriate service to pupils of limited English proficiency.

(c) "Essential instructional personnel" means the following for a bilingual education program:

(i) A licensed teacher who demonstrates competency in the primary language of the pupil being served;

(ii) A person exempt from a licensure requirement for bilingual education pursuant to section 126.36, subdivision 5.

(d) "English as a second language program" means a program for the instruction of pupils of limited English proficiency in the following English language skills: reading, writing, listening and speaking.

(e) "Bilingual education" means an educational program in which instruction is given in both English and the primary language of the pupil of limited English proficiency to the extent necessary to allow the pupil to progress effectively through the educational system and to attain the basic English skills of reading, writing, listening and speaking so that the pupil will be able to perform ordinary classwork successfully in English.

Subd. 2. [AID AUTHORIZATION.] In the 1980-1981 school year the department of education shall reimburse a school district in an amount not exceeding 45 percent of the salaries paid to essential instructional personnel employed by the district in its English as a second language program or its bilingual education program for pupils of limited English proficiency. The department shall reimburse a district for no more than 45 percent of the salary of one full time equivalent teacher for each 50 pupils of limited English proficiency, or a pro rata amount thereof for fewer than 50 pupils. Notwithstanding the foregoing, the department shall pay an amount not exceeding 45 percent of the salary for one-third of a full time equivalent position for a district which has 15 or fewer pupils of limited English proficiency.

Subd. 3. [APPLICATIONS.] A district that wants to receive aid pursuant to this section for programs to serve pupils enrolled before the application deadline shall apply to the commissioner of education before September 15, 1980, in the manner prescribed by the commissioner. The application shall include the number of pupils to be served in the English as a second language program or the bilingual education program, the number of essential instructional personnel the district proposes to employ in its English as a second language program or its bilingual education program and any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section, and districts which have fewer than 50 pupils of limited English proficiency are encouraged to submit joint applications and to share essential instructional personnel for English as a second language programs or bilingual

*education programs. A district that wants to receive aid pursuant to this section for programs to serve pupils enrolled after the application deadline may apply to the commissioner of education at any time before the end of the school year in the manner prescribed by the commissioner.*

**Subd. 4. [NOTICE OF AID; PAYMENTS.]** *The department shall inform each applicant district of the amount of aid it will receive pursuant to this section by October 15 for applications received before September 15, 1980, and it shall pay this aid by December 1. For districts submitting an application after September 15, 1980, the department shall inform the applicant district of the amount of aid it will receive pursuant to this section within a month after the application is submitted, and the department shall pay the aid within 15 days after notifying the district that it will receive aid.*

**Subd. 5. [RECORDS; AUDITS.]** *A district which applies for aid pursuant to this section shall maintain records which support the information contained in its application. The commissioner of education may audit the records upon request.*

**Subd. 6. [NOTICE TO PARENTS.]** *A district which enrolls a pupil in a program for which it receives reimbursement for the salaries of the essential licensed personnel for the program pursuant to this section shall inform the parent or guardian of a pupil enrolled in the English as a second language program or the bilingual education program that their child has been enrolled in that program and shall provide the parent or guardian with a non-technical description of the purposes, method and content of the program. The notice shall be in writing and in both English and the primary language of the parent or guardian. The department of education shall, at the request of a school district, prepare the notice in the primary language of the parent or guardian.*

**Subd. 7. [EXEMPTION FROM LICENSURE.]** *A school board may be exempted from the licensure requirement in the hiring of an English as a second language teacher for the 1980-1981 school year if compliance would, in the opinion of the commissioner of education, create a hardship in the district in the securing of teachers. The commissioner shall notify the board of teaching of any exemptions granted pursuant to this subdivision.*

**Subd. 8. [FUNDS FROM OTHER SOURCES.]** *A school district providing bilingual education programs or English as a second language programs pursuant to this section shall be eligible to receive funds for these programs from other government agencies and from private sources when funds are available.*

**Sec. 5. [DEPARTMENT OF EDUCATION STAFF COMPLEMENT.]** *In order to carry out its duties pursuant to section 4 of this article, the department of education may add two professional positions and one clerical position with state funds. In addition, if the department receives funds for that purpose pursuant to title IV of the Civil Rights Act of 1964 (P.L. 88-352), as amended, or Title VII of the Elementary and Secondary Educa-*

*tion Act of 1965 (P.L. 89-10), as amended, the department may add two professional positions and one clerical position and pay the salaries for the positions from the federal funds.*

Sec. 6. Minnesota Statutes 1978, Section 120.095, Subdivision 6, is amended to read:

Subd. 6. The school census shall include an enumeration of children of limited English speaking ability residing within the district by primary language, race and national origin. In making this census the school board shall seek the assistance and cooperation of agencies, organizations or community groups, public or private, which might have information about students of limited English speaking ability proficiency residing in the school district. As used in this subdivision, the following terms have the meanings given them:

(a) "Children of limited English speaking ability proficiency" means children whose primary language is other than English or who come from home environments where the primary language is other than English and by reason thereof, have difficulty reading, writing, speaking and understanding ordinary classroom instruction and have difficulty in performing ordinary classwork in the English language; and

(b) "Primary language" shall have the meanings ascribed to them in section 126.34 means a language other than English which is the language normally used by the child or the language which is spoken in the child's home environment.

Sec. 7. Minnesota Statutes 1978, Section 120.10, Subdivision 2, is amended to read:

Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must be one: (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 program of instruction for children of limited English speaking ability proficiency, instruction and textbooks may be in the primary language of the children of limited English speaking ability 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 speaking ability proficiency" and "primary language" shall have the meanings ascribed to them in section 126.34 5.

Sec. 8. Minnesota Statutes 1978, Section 126.07, is amended to read:

126.07 [INSTRUCTION, USE OF ENGLISH LANGUAGE.] The books used and the instruction given in public schools shall be in the English language, but any other language may be used by teachers in explaining to pupils who understand such language the

meaning of English words; provided that in the case of a program for children of limited English speaking ability proficiency, instructions and books may be in the primary language of the children of limited English speaking ability proficiency. As used in this section, the terms "children of limited English speaking ability proficiency" and "primary language" shall have the meanings ascribed to them in section 126.34 4 of this article. In secondary and elementary schools other languages may be taught, when made a part of a regular or optional course of study.

**Sec. 9. [POLICY AND PROCEDURES FOR MINIMIZING STUDENT CHEMICAL USE PROBLEMS.]** *Subdivision 1. During the 1980-1981 school year each school board may develop a comprehensive policy and procedures to minimize chemical use problems among pupils in grades kindergarten through twelve.*

*Subd. 2. To develop the policy and procedures required by subdivision 1, each school board may do the following:*

*(a) assess the magnitude of the chemical use problem as it affects pupils in the district in grades kindergarten through twelve;*

*(b) identify and evaluate existing policies and programs in the schools of the district for minimizing chemical use problems;*

*(c) assess the needs of pupils in grades kindergarten through twelve for additional chemical abuse prevention, intervention, and referral programs and for support programs for pupils who have or have had chemical abuse problems;*

*(d) define the role of the school in minimizing chemical use problems among pupils;*

*(e) identify public and private community resources available to assist the school in minimizing chemical use problems among pupils in the district;*

*(f) study the feasibility of cooperative efforts among the school district and public and private agencies, including law enforcement agencies, to minimize chemical use problems among pupils;*

*(g) examine research studies for assistance in formulating the policies and procedures required pursuant to subdivision 1;*

*(h) assess school district staff training needs for the program to minimize chemical use problems among pupils;*

*(i) evaluate the need for parent chemical abuse awareness programs;*

*(j) consult with health officials and providers of chemical use treatment and rehabilitation services; and*

*(k) take any other action the school board deems appropriate to develop the policy and procedures required by subdivision 1.*

*Subd. 3. The school board may appoint an advisory task force to assist the board in developing the policies and procedures required by subdivision 1.*

*Subd. 4. The department of education in cooperation with the department of welfare and the commissioner of health shall develop comprehensive community approaches to support school district efforts to reduce chemical use problems among pupils. The department of education shall provide technical assistance to school boards which request the assistance of the department in performing the duties imposed by this section.*

**Sec. 10. [SERVICE TRAINING.] [CHEMICAL USE PROBLEMS.]** *Subdivision 1. Each school district which submits a written plan describing the policies and procedures required by section 1 to the department of education on or before February 1, 1981 shall be eligible to participate in an inservice training program for chemical use problems. The state shall pay the greater of \$1.00 per pupil in average daily membership, as defined in section 124.17, subdivision 2, or \$1,000 to each eligible school district for the inservice training of teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils in chemical use problems.*

*Subd. 2. The department of education shall advise eligible school districts on available options for inservice training of chemical use problems. The training shall assist teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils in helping pupils who are experiencing or have experienced chemical use problems.*

*Subd. 3. The department of education shall provide technical assistance to a school board which requests the assistance of the department in performing the duties encouraged by this section.*

**Sec. 11. [STAFF COMPLEMENT.]** *The department of education may increase its permanent staff complement by two professional positions for the purpose of providing the assistance in section 10, subdivision 3, of this article.*

**Sec. 12. [OUT OF SCHOOL YOUTH PROGRAM.]** *Subdivision 1. The state department of education shall develop recommendations to provide for a system for identifying and serving youth who have left the education system without appropriate societal, employability, and learning skills.*

*Subd. 2. The state department of education shall identify problems and alternative potential solutions relating to locating out of school youth and service their educational and employability needs. A report, which includes both alternative solutions and recommendations for legislation, shall be submitted to the legislature by February 2, 1981.*

*The state department of education shall also develop a system for facilitating cooperative action between the education system and the employment and training system in jointly addressing the needs of out of school youth. Linkages shall be developed and improved with the CETA system, the juvenile justice system, and appropriate community services agencies.*

**Sec. 13. [REPEALER.]** *Minnesota Statutes 1978, Sections*

126.31; 126.32; 126.33; 126.34; 126.35; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7 and 11; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6, and 7; and Minnesota Statutes, 1979 Supplement, Sections 126.39, Subdivision 10; 126.40, Subdivision 3; and 126.41, Subdivision 1; 126.52, Subdivision 10, are repealed.

Sec. 14. [APPROPRIATIONS.] Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal year ending June 30, 1981.

Subd. 2. [INDIAN SCHOLARSHIPS.] For the Indian scholarships for college preparatory students pursuant to section 2 of this article, there is appropriated \$40,000. The appropriation in this subdivision is available until expended.

Subd. 3. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For the pilot programs authorized pursuant to section 3 of this article there is appropriated \$600,000.

Subd. 4. [PROGRAMS FOR PUPILS OF LIMITED ENGLISH PROFICIENCY.] For the programs authorized pursuant to section 4 of this article, there is appropriated \$3,700,000. Of this amount, \$87,000 may be used to increase the staff complement in the department of education authorized in section 5 of this article. If the appropriation amount in this subdivision is insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any excess amount.

Subd. 5. [CHEMICAL USE PROBLEMS; NEEDS ASSESSMENT AND INSERVICE TRAINING.] For the programs authorized pursuant to sections 9, 10, and 11 of this article, there is appropriated \$1,000,000. Of this amount, \$100,000 is for the increase in the staff complement in the department of education authorized in section 11 of this article. If the appropriation amount in this subdivision is insufficient, the aid shall be prorated among all eligible districts and the state shall not be obligated for any excess amount.

Subd. 6. [OUT OF SCHOOL YOUTH PROGRAMS.] For the program authorized pursuant to section 12 of this article, there is appropriated \$33,000. Of this amount, \$3,000 is for statewide meetings and the establishment of a task force representing employment, training, education, juvenile justice, community service, parents and students.

Subd. 7. [INDIAN EDUCATION.] For certain Indian education programs there is appropriated \$266,000. The appropriation in this subdivision is available for expenditure with the approval of the governor after consultation with the legislative advisory commission in the manner provided in section 3.30. This appropriation shall be distributed as follows: \$125,000 to Independent School District No. 309, Pine Point school; provided that the commissioner of education receives a revised budget for the school on or before September 1, 1980; \$11,000 to Independent School District No. 166; \$17,500 to Independent School District No.

432; \$16,000 to Independent School District No. 435; \$48,000 to Independent School District No. 707; and \$44,800 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

*Subd. 8. [HANDICAPPED ADULTS.] The sum of \$75,000 is appropriated to the department of education for the council on quality education to fund programs designed for adults and handicapped adults. The appropriation in this subdivision shall be added to the amount appropriated for venture fund grants for fiscal year 1981 by Laws 1979, Chapter 334, Article VII, Section 8, Subdivision 2.*

*Subd. 9. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.*

*Sec. 15. [EFFECTIVE DATE.] Section 14, Subdivision 8, of this article is effective the day following final enactment.*

## ARTICLE IV

### OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1978, Section 123.932, is amended by adding a subdivision to read:

*Subd. 1e. "Individualized instructional materials" means educational materials which:*

*(a) Are designed primarily for individual pupil use in a particular class or program in the school the pupil regularly attends;*

*(b) Are secular, neutral, nonideological and not capable of diversion for religious use; and*

*(c) Are available and are of benefit to Minnesota public school pupils.*

*Subject to the requirements in clauses (a), (b) and (c), "individualized instructional materials" include the following if they do not fall within the definition of "textbook" in subdivision 1b: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; film strips; prepared slides; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multi-media systems; prepared instructional computer software programs and prerecorded film cartridges.*

*"Individualized instructional materials" do not include the following: chemicals; wall maps; wall charts; pencils, pens or crayons; notebooks; blackboards; chalk and erasers; duplicating fluids; paper; 16 mm films; unexposed films; blank tapes, cassettes or videotape and instructional equipment.*

Sec. 2. Minnesota Statutes 1978, Section 123.933, is amended to read:

123.933 [PURCHASE OR LOAN OF TEXTBOOKS, INDIVIDUALIZED INSTRUCTIONAL MATERIALS, STANDARDIZED TESTS.] Subdivision 1. The state board of education shall promulgate rules under the provisions of chapter 15, requiring that in each school year, based upon formal requests by or on behalf of nonpublic school pupils in a nonpublic school, the local districts or intermediary service areas shall purchase or otherwise acquire textbooks, *individualized instructional materials* and standardized tests and loan or provide them for use by children enrolled in that nonpublic school. These textbooks, *individualized instructional materials* and standardized tests shall be loaned or provided free to the children for the school year for which requested. The loan or provision of the textbooks, *individualized instructional materials* and standardized tests shall be subject to rules prescribed by the state board of education.

Subd. 2. The title to textbooks, *individualized instructional materials* and standardized testing materials shall remain in the servicing school district or intermediary service area, and possession or custody may be granted or charged to administrators of the nonpublic school attended by the nonpublic school pupil or pupils to whom the textbooks, *individualized instructional materials* or standardized tests are loaned or provided.

Subd. 3. (a) The cost per pupil of the textbooks, *individualized instructional materials* and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil by the Minnesota public elementary and secondary schools for textbooks, *individualized instructional materials* and standardized tests as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

(b) *The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid per pupil unit, pursuant to section 124.212, from the second preceding school year to the current school year.*

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, *individualized instructional materials* and standardized tests for the pupils in each nonpublic school which . *The allotment shall not exceed the product of the statewide average expenditure per pupil, adjusted for inflation pursuant to clause (b) multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.*

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 123.937, is amended to read:

123.937 [APPROPRIATION.] There is appropriated annually to the department of education from the general fund of the state treasury the sum of \$3,250,000 for the purposes of sections 123.931 to 123.937. If this amount is not sufficient to make the payments required pursuant to sections 123.931 to 123.937, the amount necessary to make these payments is appropriated from the general fund to the department of education. *The amounts appropriated pursuant to this section for the year ending June 30, 1980 shall not cancel and shall be available for the second year of the biennium.*

Sec. 4. Minnesota Statutes 1978, Chapter 123, is amended by adding a section to read:

[123.947] [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.]

(a) *The department of education shall assure that individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.*

(b) *Individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.*

(c) *Individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.*

(d) *The department of education or the servicing school district or the intermediate service area shall take adequate measures to ensure an accurate and periodic inventory of all individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provision of chapter 15 to terminate the eligibility of any nonpublic school pupil if the department or the servicing school district or intermediate service area determines, after notice and opportunity for hearing, that the individualized instructional materials have been used in a manner contrary to the provisions of section 1, 2 or 4 of this article or any rules promulgated by the state board of education.*

(e) *Nothing contained in section 1, 2 or 4 of this article shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.*

Sec. 5. [SEVERABILITY.] *If any provision of section 1, 2 or 4 of this article, including the loan of any particular type of individualized instructional material shall be declared invalid, the holding shall not affect the validity of a remaining provision or the loan of any other type of individualized instructional material. If a*

*provision of sections 1, 2 or 4 of this article is invalid in one or more of its applications to a person or circumstance, the validity of the application of the provision to another person or circumstance shall not be affected.*

**Sec. 6. Minnesota Statutes, 1979 Supplement, Section 124.245, Subdivision 1, is amended to read:**

**124.245 [CAPITAL EXPENDITURE EQUALIZATION AID.]** Subdivision 1. The state shall pay a school district the difference by which an amount equal to ~~\$80~~ <sup>\$90</sup> 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, ~~\$85~~ <sup>\$95</sup> per pupil unit in that school year, exceeds the amount raised by ~~ten~~ <sup>seven</sup> mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any year, a district must have levied the full ~~ten~~ <sup>seven</sup> EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

**Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 1a, is amended to read:**

Subd. 1a. In fiscal year 1980, the state shall pay the greater of 75 cents per capita or \$5,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or ~~the maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1),~~ <sup>\$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2),</sup> for use in that year.

**Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 2, is amended to read:**

Subd. 2. In fiscal year 1981 and each year thereafter, the state shall pay the greater of 75 cents per capita or \$7,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or ~~the maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1)~~ <sup>\$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2),</sup> for use in that year.

**Sec. 9. Minnesota Statutes 1978, Section 134.03, is amended to read:**

**134.03 [TAX LEVY.]** *Subdivision 1.* In cities of less than 2,000 inhabitants not levying a tax for public library purposes, the school board may maintain a public library for the use of all residents of the district and provide ample and suitable rooms for its use in the school buildings or the district.

Upon a library being so established in any such school district,

whose library building has been erected with funds acquired by gift or donation, the school board is empowered to appoint a library board of nine members, of which each member of the school board shall be a member *ex officio*.

The remaining members of such library board shall be appointed by the school board, one of which remaining members shall hold office for one year, one for two years, and one for three years if the school board has only six members, from the first Saturday of September following their appointment, the term of office of each being specified in such appointment; annually thereafter, such school board shall appoint a member of the library board for the term of three years and until his successor shall qualify. Such school board may remove any member so appointed for misconduct or neglect. Vacancies in such board shall be filled by appointment for the unexpired term. Members of such board shall receive no compensation for their services as such.

Immediately after appointment, such board shall organize by electing one of its members as president and one as secretary and from time to time it may appoint such other officers and employees as it deems necessary. The secretary, before entering upon his duties, shall give bond to the school district in an amount fixed by the library board, conditioned for the faithful discharge of his official duties. The library board shall adopt such bylaws and regulations for the government of the library and reading-room and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditures of all money collected for, or placed to the credit of, the library funds, and of the rooms and buildings provided for library purposes. All moneys received for such library fund shall be kept in the treasury of the school district, credited to the library fund, and be paid out only upon itemized vouchers approved by the library board. The library board may fix the compensation of employees and remove any of them at pleasure.

All books or other property given, granted, conveyed, donated, devised, or bequeathed to, or purchased by, such library shall vest in, and be held in the name of, such school district. Every library and reading-room established hereunder shall be free to the use of the inhabitants of the school district, subject to such reasonable regulations as the directors may adopt.

When so established, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

When so established, in cases where the building has been erected with funds so donated, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

*Subd. 2. Notwithstanding subdivision 1, if the library building of a library established pursuant to this section has been erected with funds acquired by gift or donation, a school board may, if authorized by the vote of a majority of all members of the school*

*board and the vote of a majority of all members of the governing body of the city, transfer the responsibility for maintaining the library to the city.*

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. Reductions in levies pursuant to this clause, 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 ~~294.28~~ 294.26; 298.23 to 298.28; ~~298.32~~; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 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; 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 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments 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, clause 1 or 2, to an amount less than the amount raised by a levy of 10 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 2a, clause (4) 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 that 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 ~~294.28~~ 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 124.212, subdivision 8a, 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 124.212, subdivision 8a, 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.

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) ~~In 1979, and each year thereafter,~~ A district which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2.50 per capita, or (B) *one hundred and ten percent* of the amount certified pursuant to this subdivision in 1976. 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 1976 shall not reflect reductions pursuant to subdivision 9.

(2) A school district shall be authorized to make a 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 make a levy pursuant to this subdivision.

(3) 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. 12. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. (a) A school district may levy an amount not to exceed the amount equal to ~~\$80~~ ~~\$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, ~~\$85~~ ~~\$95~~ per pupil unit. For purposes of computing allowable levies under section 275.125, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5). No levy under this subdivision shall exceed ~~ten~~ *seven* mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.

(b) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, 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 property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to 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 or eliminating barriers to or increasing 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 article VI, section 3.*

(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 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.

Sec. 13. Minnesota Statutes 1978, Section 298.28, Subdivision 1, is amended to read:

**298.28 [DIVISION AND DISTRIBUTION OF PROCEEDS.]**  
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 to school districts to be distributed as follows:

(a) 6 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 (c), shall be distributed to a group of school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 or in which is located property which is entitled to the reduction of tax pursuant to section 273.135, subdivision 2, clause (c). The 23 cents, less any amount distributed under part (c), shall be distributed in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, permitted 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 2a, clause (4). *The total amount of increase provided*

*by clause (9) shall be distributed on September 1 of each year commencing in 1981 among the school districts described in this paragraph on the basis of the total number of pupils enrolled in each school district during the latest school year. Any amounts received by a qualifying school district in any fiscal year pursuant to this clause shall not exceed the sum of \$75 per pupil and 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.*

(c) 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) 4 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) 1 cent per taxable ton to the state.

(7) 3 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. Of this amount, one cent per taxable ton is to be used to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134.

(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 (3)(b), (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. *Provided that the total amount to be raised by the escalation of clause (3)(b) shall not exceed the sum of \$75 per pupil on the basis of the total number of pupils enrolled in each qualifying school district during the latest school year.*

(10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (9) and parts (a), (b), and (c) 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 1978, 1979, 1980, 1981, and 1982, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund; in 1983 and thereafter, one-half to each 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.

(c) 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 sections 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. 14. [EFFECTIVE DATE.] *Section 13 of this article is effective for iron ore concentrate produced in any year beginning after December 31, 1979.*

Sec. 15. [EFFECTIVE DATE.] *Section 6 of this article is effective July 1, 1981. Section 3 of this article is effective the day following final enactment.*

## ARTICLE V

### VOCATIONAL EDUCATION

Section 1. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2a, is amended to read:

Subd. 2a. Ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month beginning in July 1980. A final payment of the remainder of the post-secondary vocational instructional aid for each fiscal year shall be made to each district in September of the following fiscal year. The September 1980 payment shall be adjusted to reflect any deficit or excess in post-secondary vocational foundation aid received by a district in fiscal year 1980. The September 1981 final payment *and the final September payment in each year thereafter* shall be adjusted to reflect the actual average daily membership for the previous fiscal year. *The final payment in September 1982 and each year thereafter shall be adjusted to reflect the actual annual student count for the previous fiscal year. For Beginning with the 1980-1981 school year, 90 percent of the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted in September, December, March and June to reflect any increases or decreases in enrollment. Beginning with the 1981-1982 school year, the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's annual student count, adjusted in September, December, March and June to reflect any increases or decreases in enrollment, pursuant to section 124.5621, subdivision 11.*

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2b, is amended to read:

Subd. 2b. Post-secondary vocational supply aid ; *and* support services aid *and* equipment aid shall be paid to districts in equal installments on or before August 1, ~~December~~ *November* 1, ~~March~~ *February* 1, and ~~June~~ *May* 1 of each year. ~~Additional post-secondary vocational supply aid, support services aid, and equipment aid may be distributed on or before March and June 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year in the manner specified in section 124.561, subdivision 3a. Eighty percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before May 1 of each year.~~

Sec. 3. Minnesota Statutes 1978, Section 124.11, is amended by adding a subdivision to read:

*Subd. 2c. Additional post secondary vocational supply aid, support services aid and capital expenditure aid may be distributed on or before May 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year pursuant to section 124.561, subdivision 3a.*

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 3, is amended to read:

Subd. 3. All funds, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids, statistics and research section of the state department of education. State board approval shall not be required for the adjustment of average daily membership ~~or for the adjustment of the annual student count~~, pursuant to section 124.11, subdivisions 2 and 2a.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 4, is amended to read:

Subd. 4. Each district providing post-secondary vocational-technical education programs shall establish and maintain ~~accounts~~ *funds* separate from all other district accounts for the receipt and disbursement of all ~~funds monies~~ related to these post-secondary vocational-technical education programs. All post-secondary vocational aids, all ~~funds monies~~ received pursuant to the levy authorized by section 275.125, subdivision 13 and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 124.5621, Subdivision 11, is amended to read:

Subd. 11. (1) "Student growth or decline factor" for the 1980-1981 school year means the following ratio, adjusted according to clause ~~(4)~~ (2) :

(a) The current year's average daily membership as defined in section 124.562, subdivision 2, for a particular AVTI, divided by:

(b) The second prior year's average daily membership for that AVTI.

(2) Beginning in the 1979-1980 school year, each AVTI shall take a count of all full-time equivalent students in attendance on the fifteenth day of each quarter that full time post-secondary vocational programs are offered by that AVTI. These quarterly counts shall be totaled to produce an annual student count.

(3) Beginning in the 1981-1982 school year, "student growth or decline factor" means the following ratio, adjusted according to clause (4).

(a) The current year's annual student count for a particular AVTI, divided by

(b) The annual student count for the second prior year for that AVTI.

(4) (2) If the ratio in (1) or (3) is greater than .95 but less than 1.05, the ratio shall equal 1.0. If the ratio is .95 or less, the ratio shall be adjusted by adding .05. If the ratio is 1.05 or greater, the ratio shall be adjusted by subtracting .05.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.5621, is amended by adding a subdivision to read:

*Subd. 13. The state board for vocational education shall promulgate rules pursuant to chapter 15 which specify appropriate minimum ratios of average daily membership to each full-time staff equivalent in each of the following subject area classifications: agriculture; distributive education; health; home economics; business and office; technical; and trade and industrial.*

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.5624, Subdivision 6, is amended to read:

Subd. 6. Before August 1, 1980 and before August 1 of each subsequent year, the commissioner shall issue a report on the capital expenditure aid allocation to each AVTI. This report shall include recommended aid allocations for each capital expenditure category and an explanation comparing the amount of the authorized capital expenditure aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the capital expenditure aid allocation shall be included.

Before August 1, 1980 and before August 1 of each subsequent year the commissioner shall also report on the equipment inventory of each AVTI, including original cost, amortization schedule and current value and estimated remaining useful life.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 124.5625, is amended to read:

124.5625 [POST-SECONDARY VOCATIONAL CONTINGENCY FUND.] There is established a post-secondary and adult vocational contingency fund. This fund shall be used for the start-up costs of *new full time* post-secondary vocational programs, including job training programs provided at the request of industry. This fund shall also be used for short term training of employees at the request of business and industry, when that training is specialized and not available from any other source. The commissioner state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new post-secondary and adult vocational programs.

Sec. 10. Minnesota Statutes 1978, Chapter 124, is amended by adding a section to read:

[124.5626] [ADULT NEW JOBS FUND.] *There is established a new jobs fund. This fund shall be used for the short term training of employees at the request of business and industry, when that training is specialized and not available from any other source. The state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new adult vocational programs.*

Sec. 11. Notwithstanding Laws 1979, Chapter 334, Article V, Section 31, the remaining funds in the appropriation for the contingency fund are immediately available to the department of education of which \$70,000 is for the short term training of employees at the request of business and industry, and at least \$130,000 is available for start-up costs of new full time post-secondary vocational programs.

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be \$128 per quarter for each quarter the pupil is enrolled, except that there shall be no charge for tuition for a person who, prior to July 1, 1978, entered active military service in a branch of the armed forces of the United States and who, under the laws in effect at the time of his induction into the armed forces, would be eligible to attend a post-secondary vocational school without payment of tuition. A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 13. Minnesota Statutes 1978, Section 124.565, is amended by adding a subdivision to read:

*Subd. 7. A veteran who is a Minnesota resident shall be exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 360 post-secondary vocational-technical school days, or the equivalent as determined by the state board for vocational education, or (b) one post-secondary vocational-technical school program which the veteran began after the effective date of this subdivision.*

*"Veteran" for the purpose of this subdivision means a person who entered active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable. This subdivision shall not apply to a veteran who is eligible to have his tuition paid for by the comprehensive employment training act.*

*Sec. 14. [REPEALER.] Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9, is repealed.*

*Sec. 15. [EFFECTIVE DATE.] Section 11 of this article is effective the day following final enactment.*

## ARTICLE VI

### MISCELLANEOUS

*Section 1. Minnesota Statutes 1978, Section 121.912, is amended by adding a subdivision to read:*

*Subd. 3. For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by monies in an operating fund.*

*Sec. 2. Minnesota Statutes, 1979 Supplement, Section 122.541, Subdivision 5, is amended to read:*

*Subd. 5. If compatible plans are not negotiated pursuant to subdivision 4 before the June March 1 preceding any year of the agreement permitted by subdivision 1, the cooperating districts shall be governed by the provisions of this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section 125.13. If necessary, teachers whose positions are discontinued as a result of the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts.*

*Sec. 3. Minnesota Statutes 1978, Section 123.36, Subdivision 10, is amended to read:*

*Subd. 10. The board may lease a schoolhouse which is not*

needed for school purposes to any person or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease. *The board may make capital improvements to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. The portion of the rentals representing the cost of the improvements shall be deposited in the special tax fund established for the proceeds of the tax levy authorized by section 275.125, subdivision 11a, and the balance of the rentals shall be used as provided in this subdivision.* In districts with outstanding bonds, the net proceeds of the lease shall be used first pursuant to ~~section 175.61, subdivision 3,~~ to reduce the levy authorized for payments for bonds issued and for interest thereon pursuant to ~~section 275.125, subdivision 4~~ deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining net proceeds in these districts and all net proceeds of the lease in districts without outstanding bonds shall be used to reduce the levy authorized for general and special school purposes by ~~section 275.125, subdivision 2a~~ deposited in the capital expenditure fund of the district.

Sec. 4. Minnesota Statutes 1978, Section 123.36, is amended by adding a subdivision to read:

*Subd. 12. Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision. In districts with outstanding bonds the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining proceeds in these districts of the sale or exchange and all proceeds in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.*

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 125.61, Subdivision 3a, is amended to read:

Subd. 3a. Notwithstanding the provisions of subdivision 3, an eligible teacher who wishes to retire at the end of the 1978-1979 or 1979-1980 or 1980-1981 school year, who is employed by a school district which is implementing a desegregation plan ordered by a federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 2, shall receive an early retirement incentive in the amount of \$15,000. This amount shall be reduced by \$750 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$2,250 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 6. Laws 1980, Chapter 345, Section 17, is amended to read:

Sec. 17. Nothing contained in sections 1 to 16 shall be construed as affecting the validity of a permanent license or certificate issued prior to August 1, ~~1979~~ 1980.

Sec. 7. Subdivision 1. Notwithstanding Minnesota Statutes, Section 121.912, Independent School District No. 119, Walker, may permanently transfer money from its general fund to its capital expenditure fund for the purpose of constructing a special education addition to the Walker elementary school. The amount of money which may be transferred shall not exceed the lesser of (a) the amount necessary to pay for the construction of the special education facility or (b) \$550,000.

Subd. 2. This section is effective upon its approval by the board of Independent School District No. 119 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Sec. 8. Subdivision 1. Notwithstanding Section 3 or 4 of this article or any other provisions of law to the contrary independent school district no. 283 may transfer up to \$500,000 of any unexpended balance in the debt retirement fund of the district, after a sufficient amount of monies has been deposited in the debt retirement fund of the district to meet when due the principal and interest payments for all outstanding obligations, to the capital expenditure fund of the district. This transfer authority is available until July 1, 1980.

Subd. 2. This section is effective upon its approval by the board of Independent School District No. 283 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Sec. 9. Subdivision 1. Notwithstanding Minnesota Statutes, Section 121.912, any school district located in Chisago county with an audited unappropriated general fund balance in excess of \$1,000,000 as of June 30, 1979, may permanently transfer up to one-half of that audited unappropriated fund balance from its general fund to its capital expenditure fund for the purpose of constructing a swimming pool facility; provided that the board of the district calls a special election pursuant to section 123.32, subdivision 22, requesting the approval of the voters of the district and that a majority of those voting approve the transfer and provided further that the board of the district complies with section 645.021, subdivision 3.

Subd. 2. This section is effective for an eligible school district upon compliance with section 645.021, subdivision 3.

Sec. 10. [FOUR DAY SCHOOL WEEK.] The state board of education, pursuant to section 120.65, shall establish a policy permitting districts requesting to operate the four day week to qualify for a flexible school year program. The policy of the board shall not apply to a school district located entirely within the seven county metropolitan area.

Sec. 11. [PURPOSE.] The legislature of the state of Minnesota recognizes the long standing tradition and commitment of the people of this state to qualify in education. This commitment

*has required a growing and unprecedented expenditure of public funds. As these expenditures continue to grow, it becomes necessary to insure that the expectations and priorities of the people of Minnesota for education continue to be met. One of the most effective means of maintaining and improving quality in public education, as in business, industry, science and medicine, is through research and development. Research and development in education makes it possible for those concerned to find answers to questions of educational importance, develop improved measures for education and create new responses to address future problems. Presently, however, only a small fraction of one percent of the total revenues spent on public education is allocated for research and development. The purpose of sections 11 and 12 of this article is to encourage research and development programs at the local school district level.*

*Sec. 12. Subdivision 1. For the 1980-1981 and 1981-1982 school years, the state board of education shall make up to 20 grants to school districts to engage in educational research and development. Districts are encouraged, but are not limited, to conduct educational research and development in the following areas:*

*(1) Review of school district purposes and priorities for education;*

*(2) Programs encouraging the development of local citizen task forces on educational issues;*

*(3) Programs in preventive education and basic living skills;*

*(4) Developing programs which emphasize the purpose and results of education for the effective development of the child, including programs which focus on the importance of the home environment, the behavior of parents and family members in promoting the total development of the child, and programs which focus on the responsibility of parents as teachers and on membership in a family as a career; and*

*(5) Developing uses for computerized instruction, cable television and other innovations in media technology.*

*The research may include a review of existing national and international research and may involve the cooperation of the private sector.*

*Subd. 2. Districts which wish to participate in the funded research and development shall submit a research and development proposal to the department of education no later than June 1 preceding the school year for which the research and development is proposed. Two or more districts may submit a joint proposal for cooperative research and development. A proposal may request funding for one year or two years. Districts are encouraged to establish offices of research and development with the grant funds and to coordinate the state board's research and development grant with grants for research and development from other sources. The council on quality education shall provide technical assistance to the state board of education in evaluating proposals.*

*Districts shall be notified of their participation in the funding no later than August 1 preceding the school year for which the research and development is proposed.*

*Subd. 3. The funds shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area. Districts are encouraged to propose research and development which is district-wide or statewide in its implementation.*

*Subd. 4. The department of education shall make a report to the legislature on the research and development conducted in accordance with this section before September 15, 1982.*

*Sec. 13. [REPEALER.] Minnesota Statutes 1978, Sections 123.34, Subdivision 6 and 122.85, Subdivision 7, are repealed.*

*Sec. 14. [APPROPRIATION; RESEARCH AND DEVELOPMENT PROGRAM.] The sum of \$1,000,000 is appropriated from the general fund to the department of education for the fiscal year ending June 30, 1981 for the program authorized pursuant to sections 11 and 12 of this article. This appropriation is available until June 30, 1982.*

*Sec. 15. [EFFECTIVE DATE.] Sections 11, 12, and 14 of this article are effective the day following final enactment.*

## ARTICLE VII

### STATEWIDE MANAGEMENT INFORMATION SYSTEM

*Section 1. Minnesota Statutes, 1979 Supplement, Section 16.93, is amended to read:*

*16.93 [COMPUTERIZATION BY SCHOOL DISTRICTS.] Subdivision 1. [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] [PURPOSE.] The purposes of the statewide education management information system are:*

*To provide consistent and comparable information for statewide education information needs in a manner which is economical and cost-effective;*

*To provide a computerized research capability for analysis of education information;*

*To assist school districts in the development and planning of education information systems which will meet school district management needs; and*

*To coordinate information, collection and processing in order to meet the management needs of school districts and the state of Minnesota.*

*Subd. 2. [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] [POWERS AND DUTIES.] The state board of education and the department of education may delegate any of their powers and duties pursuant to subdivision 3 which are necessary for the implementation of the statewide education management information system or for the technical support of the*

*system to the Minnesota educational computing consortium. The development of policy and planning for the system and the monitoring of compliance with statewide systems and reporting standards shall be the responsibility of the state board of education and the department of education pursuant to section 4 of this article and shall not be delegable.*

*Any duty or responsibility of the state board of education or the department of education required by section 1, 2, 3 or 4 of this article delegated before August 1, 1979 is repealed.*

*The commissioner of administration shall have no authority to review the decisions of the state board, the department of education or the Minnesota educational computing consortium made pursuant to sections 1, 2, 3 or 4.*

**Subd. 2 3 . [SCHOOL DISTRICTS' PLANS AND BUDGETS.]**  
A school district may expend funds for computerization of administrative, instructional, or other activities only after a regional management information center of which the district is a member submits and obtains approval of an annual plan and budget on behalf of its member districts as provided in subdivision 3 4 . A school district may utilize management information systems other than the statewide standard management information systems only after receiving approval by the state board of education of its alternative plan pursuant to section 4. Every school district shall become a member of a regional management information center. Every district shall , in a timely manner accordance with the timelines in the data acquisition calendar, supply to the regional management information center of which it is a member the information required by the annual data acquisition calendar and the rules of the state board of education and the information specified in the data element dictionary .

**Subd. 3 4 . [REGIONAL PLANS AND BUDGETS.]** Any group of two or more school districts may with the approval of the state board of education create a regional management information center pursuant to section 471.59 to provide computer services to the member districts. No regional management information center may expend funds for computer activities unless it files an annual plan and budget for its activities with the department of education and receives approval of the plan and budget from the department of education. Regional management information center budgets and financial reports shall be submitted in a common format defined by the state department of education for all regional management information centers and in conformance with the uniform financial accounting and reporting system. The format defined by the state department of education shall provide for cost accounting procedures to be utilized by the regional management information centers. Criteria for approving the creation of a regional management information center and the plan and budget of a regional management information center shall include: the provisions of the state computing plan adopted by the state board of education; the cost effectiveness of the regional management information center and its plan and budget; the effect on existing regional

management information centers; the ability of the *regional management information center* in a ~~timely manner~~ *accordance with the timelines in the data acquisition calendar* to provide information required by the annual data acquisition calendar or by the rules of the state board of education on computer tape which is machine readable using the software designed by the department of education; the ability of the *regional management information center* within 15 calendar days to respond to requests for information based on the data elements in the data element dictionary on computer tape which is machine readable using the software designed by the department of education; and the ability of the *regional management information center* to operate the uniform financial management accounting system using multi-dimensional accounts and records, as required by the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.92. Every *regional management information center* shall make available to its member districts the opportunity to participate fully in the comprehensive financial reporting, personnel payroll reporting and student reporting ~~management information system~~ *systems* developed by the Minnesota educational computing consortium. A *regional management information center* which is not in existence on July 1, 1979 shall not come into existence until the first July 1 of an odd-numbered year after its creation is approved pursuant to this subdivision or until it can be accommodated by state appropriations, whichever occurs first. *Before July 1, 1981, every regional management information center shall develop a plan for the provision of services during a system failure or a disaster.*

Subd. 4 5 . [REGIONAL SUBSIDIES.] In any year when a *regional management information center's* plan and budget are approved pursuant to subdivision 3 4, the center shall receive a regional reporting subsidy grant from the department of education. The grant shall be in an amount determined in accordance with the formula filed by the department of education with the committees on education and finance of the senate and the committees on education and appropriations of the house of representatives.

*For the fiscal year ending June 30, 1981, the formula may take into consideration the number of districts participating in a regional management information center as defined in section 3, subdivision 2, and the regional management information center services provided to districts using approved alternatives to the statewide standard management information systems.*

Subd. 5 6 . [STATE BOARD OF EDUCATION DUTIES.] The state board of education shall adopt rules prescribing the criteria for approval of regional plans and budgets and of the creation of ~~regions~~ *regional management information centers* , and specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the data acquisition calendar developed pursuant to subdivisions 6 8 and 7 9 . *The state board shall also adopt any rules necessary for the implementation of section 4. To the extent permitted by available*

resources, the commissioner of administration may furnish staff and other assistance to the department of education and the Minnesota educational computing consortium in conjunction with their performance of the duties imposed by this section.

**Subd. 7. [ALTERNATIVE FORMS OF PARTICIPATION IN THE COMPUTERIZED REPORTING SYSTEM.]** *A school district shall use the statewide standard management information systems or an alternative method of participation approved by the state board of education pursuant to section 4. Any alternative system shall provide data to the regional management information center which conforms to the statewide systems and reporting standards. Criteria for approval shall be established by the department of education pursuant to section 4. A district proposal for an alternative method of participation shall include any costs to the district, regional management information center, or state for software development or operational services needed to provide standardized data to the regional management information center.*

*A district shall submit its proposal for an alternative system to the regional management information center board for evaluation. The regional management information center shall use the criteria for approval of alternative systems established by the department of education to evaluate the district proposal.*

*The regional management information center in a timely manner shall submit the district proposal and the regional management information center's evaluation of that proposal to the state board of education for approval or denial of the proposal.*

*Any delivery system, including manual reporting to the regional management information center, which meets the statewide standards may be submitted as an alternative. Upon approval of the state board of education, state or regional management information center funds may be used for software, software development, or operational services needed to assist districts in meeting the statewide systems and reporting standards. The state and region shall not fund any software, software development or operational services needed to meet needs which are unique to a particular school district.*

**Subd. 6 8. [DATA ELEMENT DICTIONARY.]** By January 1, 1980, the department of education shall develop a data element dictionary defining all data elements included in the financial reporting, personnel payroll and student reporting information system of the department of education. Except as provided in subdivision 5 6, the development and modification of the data element dictionary shall be exempt from the rule-making procedures specified in chapter 15.

**Subd. 7 9. [DATA ACQUISITION CALENDAR.]** By January 1, 1980, the department of education shall develop an annual data acquisition calendar specifying the reports which school districts are required to submit to the *regional management information center* or the department of education and the dates when these reports are due. Except as provided in subdivision 5 6, the de-

velopment and modification of the annual data acquisition calendar shall be exempt from the rule-making procedures specified in chapter 15.

Sec. 2. Minnesota Statutes 1978, Section 121.90, is amended to read:

121.90 [DEFINITIONS.] *Subdivision 1.* "Receivables", "liabilities", "fund balances", "revenues" and "expenditures" have the meanings specified in the uniform financial accounting and reporting system for Minnesota school districts unless otherwise provided by law.

*Subd. 2.* For the purposes of sections 1, 2, 3 and 4, "district" means a school district, an educational cooperative service unit, a cooperative center for vocational education, a cooperative center for special education, an area vocational technical institute, or an intermediate service area.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 121.92, Subdivision 2, is amended to read:

*Subd. 2.* After July 1, 1980, participation in a computer based financial management accounting and reporting system meeting the statewide systems and reporting standards shall be mandatory. The form of this participation shall be determined as provided in section 16.93. For the purposes of this section and of section 16.93, "participation" means providing data to the regional management information center which conform to statewide systems and reporting standards and timelines.

Any district which proposes to meet the July 1, 1980, date for mandatory participation through the use of a manual reporting alternative or minicomputer or microcomputer delivery system alternative shall submit a proposal to the regional management information center prior to May 15, 1980. The regional management information center shall forward the proposal submitted and the evaluation of this proposal to the state board of education prior to June 1, 1980. Approval or denial of the manual reporting alternative or minicomputer or microcomputer delivery system alternative proposed shall be completed prior to July 1, 1980. Other delivery system alternatives may be submitted to the regional management information center and state board of education after July 1, 1980, but are not permitted alternatives to comply with the July 1, 1980, date for mandatory participation. A district is not exempt from meeting the requirement for mandatory participation while an alternative proposal is being evaluated by the regional management information center or the state board of education.

Sec. 4. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.93] [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] *Subdivision 1.* The department of education shall develop the policies and planning for the statewide education management information system.

*Subd. 2. The department of education shall develop a long-range plan for the development and implementation of the statewide education management information system. The plan shall include procedures for determining the need to develop alternative statewide standard management information systems to keep pace with changing technology. A progress report on the plan shall be presented to the legislature no later than February 1, 1981. The plan shall be completed by June 30, 1981 and shall be revised before each biennial legislative session.*

*Subd. 3. The department of education shall provide for the development of statewide standard microcomputer based management information systems and training on those systems. The department of education shall report progress on development of these systems to the legislature before February 1, 1981.*

*Subd. 4. The state board of education shall adopt rules pursuant to chapter 15 for the criteria and standards to be used in evaluating district proposed alternatives to the statewide standard management information systems required pursuant to section 16.911. These criteria shall include considerations of economy and cost effectiveness for the district, regional management information center, and state. These criteria shall also include the ability of a system to provide data which conforms to the statewide systems and reporting standards. A district shall not operate an alternative system without the approval of the state board of education. The department of education shall report to the legislature before February 1, 1981, on the criteria and standards adopted.*

*Subd. 5. The department of education shall monitor the development of software for the statewide education management information system and the development of alternative systems approved by the state board of education to enforce compliance with the statewide systems and reporting standards. The department of education shall report to the legislature before February 1, 1981, on the status of districts which have received approval to operate alternative systems.*

*Subd. 6. The state board of education shall adopt rules to provide the cost accounting procedures to be used in the regional management information center budget and financial report formats. These cost accounting procedures shall detail the amounts expended for each of the statewide standard management information systems and any approved alternative systems, for each district served by the regional management information center. The department shall report to the legislature before February 1, 1981, on the cost accounting procedures adopted and progress on their implementation. The department shall also report on expenditures attributable to each of the systems which comprise the statewide education management information system.*

*Subd. 7. The state board of education shall adopt rules pursuant to chapter 15 for the standardized reporting of student and personnel data. The state board of education shall consider the final recommendations of the advisory task forces on uniform standards for student reporting and personnel reporting promul-*

*gating permanent rules. The department of education shall halt major systems development and modification of the statewide standard payroll/personnel system and the statewide standard student support system until these rules have been adopted.*

Sec. 5. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.931] [STUDENT AND PERSONNEL REPORTING STANDARDS.] [ADVISORY TASK FORCES.] *Subdivision 1. There are created two advisory task forces, one on uniform standards for student reporting and one on uniform standards for personnel reporting, each composed of nine members as follows:*

(1) *one employee of the state department of education appointed by the commissioner of education;*

(2) *one representative of the Minnesota educational computing consortium appointed by the MECC board;*

(3) *one representative from the regional management information centers appointed by the state board of education;*

(4) *three persons who are representatives of the various size school districts in the state and who are public school employees whose positions involve activities related to student reporting or personnel reporting appointed by the state board of education;*

(5) *one person representing the office of the governor appointed by the governor to serve ex officio;*

(6) *one person representing the education committee of the senate appointed by the chairman to serve ex officio;*

(7) *one person representing the education committee of the house of representatives appointed by the chairman to serve ex officio.*

*Subd. 2. Each task force shall report to the legislature, by January 1, 1981, recommendations for broad policy standards for school district reporting of student data or personnel data. Each task force shall recommend to the state board of education specific statewide systems and reporting standards for student data or personnel data.*

*Subd. 3. The task forces shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.*

Sec. 6. *The department of education may add four professional employees and two clerical employees to its approved complement for the purpose of section 4.*

Sec. 7. [APPROPRIATIONS.] *There is appropriated from the general fund to the department of education the sum of \$220,000 for the purposes of this article. Of this amount \$100,000 is available to hire consultants on management information systems to assist the department in complying with this article and \$120,000 is available for the development microcomputer software to conform with the ESV-FIN system. This appropriation is available until June 30, 1981. The commissioner of education with the*

*approval of the commissioner of finance may transfer \$200,000 for the increased staff complement in section 6. All transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives. This transfer authority shall be available until June 30, 1981.*

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 education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and others; modifying certain responsibilities of the Minnesota educational computing consortium; modifying the method for districts to qualify for certain levies; changing the method of computing transportation aid and post-secondary vocational aid; changing the school age for certain handicapped children; providing an aid for individualized instructional materials; establishing certain programs; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 120.17, Subdivision 1; 121.90; 121.912, by adding a subdivision; 123.36, Subdivision 10, and by adding a subdivision; 123.932, by adding a subdivision; 123.933; 124.11, by adding a subdivision; 124.214, Subdivision 2; 124.48; 124.565, by adding a subdivision; 126.07; 134.03; 275.125, Subdivisions 5 and 5a; 298.28, Subdivision 1; Chapters 121, by adding sections; 123, by adding a section; and 124, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 16.93; 121.92, Subdivision 2; 122.541, Subdivision 5; 123.937; 124.11, Subdivisions 2a and 2b; 124.223; 124.224, Subdivision 8; 124.225; 124.245, Subdivision 1; 124.271, Subdivisions 1a and 2; 124.562, Subdivisions 3 and 4; 124.5621, Subdivision 11, and by adding a subdivision; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 3; 125.61, Subdivision 3a; 126.54, Subdivision 1; 275.125, Subdivisions 7a, 8, 9, and 11a; Laws 1979, Chapter 334, Article 2, Section 15, Subdivisions 2 and 3; Laws 1980, Chapter 345, Section 17; repealing Minnesota Statutes 1978, Sections 122.85, Subdivision 7; 123.34, Subdivision 6; 126.31; 126.32; 126.33; 126.34; 126.35; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7 and 11; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6, and 7; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.40, Subdivision 3; and 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Gearty from the Committee on Elections, to which was re-referred

S. F. No. 1157: A bill for an act relating to elections; permitting

corporations domiciled in Minnesota to authorize solicitation and collection of contributions to a single political committee from its employees, members and shareholders; exempting corporate expenses in soliciting and collecting the contributions from the prohibition on corporate political contributions; setting conditions for the solicitation, collection and expenditure of money contributed to a committee authorized by a corporation; providing annual notice to union members of their right to prohibit transfer of their union dues to a union political fund; imposing criminal and civil penalties; amending Minnesota Statutes 1978, Sections 10A.12, by adding a subdivision; 10A.22, Subdivision 7; 210A.34, by adding a subdivision; and Chapter 10A, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 210A.34, Subdivision 1, is amended to read:

210A.34 [CORPORATIONS NOT TO CONTRIBUTE TO POLITICAL CAMPAIGN; PERMITTED ACTIVITIES; REPORTS; PENALTIES.] Subdivision 1. It shall be unlawful for any corporation doing business in this state to ~~pay or contribute or make any contribution or to offer, consent or agree to pay or contribute~~ *make any contribution*, directly or indirectly, of any money, property, free service of its officers or employees or thing of value to any political party, organization, committee or individual ~~for any political purpose whatsoever, or to promote or defeat the candidacy of any person for nomination, election, or appointment to any political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of any candidate to any political office which is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of a candidate, his principal campaign committee or his agent.~~

Sec. 2. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

*Subd. 1a. It shall be unlawful for any corporation doing business in this state to make any independent expenditure or to offer, consent or agree to make any independent expenditure to promote or defeat the candidacy of any person for nomination, election or appointment to any political office. For the purpose of this subdivision, "independent expenditure" means an expenditure which is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate, his principal campaign committee or his agent.*

Sec. 3. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

*Subd. 1b. Nothing in this section shall be construed to prohibit*

*a corporation doing business in this state from making any contribution or expenditure to promote or defeat a ballot question submitted to the voters.*

Sec. 4. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

*Subd. 1c. Nothing in this section shall be construed to prohibit publication or broadcasting of news items or editorial comments by the news media.*

Sec. 5. Minnesota Statutes 1978, Section 210A.34, Subdivision 8, is amended to read:

*Subd. 8. A corporation shall report the following information to the secretary of state:*

*(a) The total amount of any expenditure or contribution or any one project permitted by subdivisions 5 and 7 which exceeds \$100, together with the date, purpose and the names and addresses of the persons receiving the contribution or expenditures, and*

*(b) The name and address of each committee, individual or other person to whom aggregate contributions or expenditures in excess of \$100 have been made to promote or defeat a ballot question; the amount, date and purpose of each contribution or expenditure and the ballot question which the corporation seeks to promote or defeat.*

*The information shall be reported to the secretary of state. The reports shall be filed on a form provided by the secretary of state, which shall be filed on the dates required for filing financial statements by political committees under the provisions of section 210A.26, subdivision 1. Failure to comply shall be subject to the penalties related to campaign finance reporting under the provisions of this chapter.*

Sec. 6. [EFFECTIVE DATE.] *This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, delete lines 3 to 19 and insert "to make contributions and expenditures to promote or defeat ballot questions submitted to the voters; requiring reporting by corporations that make such contributions and expenditures; clarifying prohibitions of corporate contributions and expenditures to promote or defeat a candidate for public office; amending Minnesota Statutes 1978, Section 210A.34, Subdivisions 1 and 8, and by adding subdivisions."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1699: A bill for an act relating to no-fault automobile insurance; prohibiting certain short-term insurance policies; coordinating reparation benefits; coordinating benefits with medi-

care and medical assistance; extending eligibility for the assigned claims plan; amending Minnesota Statutes 1978, Sections 65B.49, by adding subdivisions; 65B.61, Subdivisions 1 and 2; 65B.64, Subdivision 1; and Minnesota Statutes, 1979 Supplement, Section 65B.61, Subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1978, Section 65B.46. Subdivision 2, is amended to read:

Subd. 2. If the accident causing injury occurs outside this state *in the United States, United States possessions, or Canada*, the following persons and their surviving dependents suffering loss from injury arising out of maintenance or use of a motor vehicle have a right to basic economic loss benefits:

(1) Insureds, and

(2) the driver and other occupants of a secured vehicle, other than (a) a vehicle which is regularly used in the course of the business of transporting persons or property and which is one of five or more vehicles under common ownership, or (b) a vehicle owned by a government other than this state, its political subdivisions, municipal corporations, or public agencies. *The reparation obligor may, if the policy expressly states, extend the basic economic loss benefits to any stated area beyond the limits of the United States, United States possessions and Canada.*

Sec. 2. Minnesota Statutes 1978, Section 65B.49, is amended by adding a subdivision to read:

*Subd. 4a. [UNDERINSURED MOTORIST COVERAGE.] No plan of reparation security may be renewed, delivered or issued for delivery, or executed in this state with respect to any motor vehicle registered or principally garaged in this state unless coverage is provided therein or supplemental thereto, in an amount at least equal to the insured's residual liability limits, whereby the reparation obligor agrees to pay damages the insured is legally entitled to recover on account of a motor vehicle accident but which are uncompensated because the total damages exceed the residual bodily injury liability limit of the owner of the other vehicle. The reparation obligor is subrogated to any amounts it pays and upon payment has an assignment of the judgment if any against the other person to the extent of the money it pays."*

Page 2, line 33, after "law" insert "or medicare"

Page 2, line 33, delete "medicare or"

Page 3, line 1, delete the new language

Page 3, line 7, after "2." insert "If" and after "Benefits" insert "are"

Page 3, line 8, delete the new language

Page 3, line 9, strike everything after "injury" and strike lines 10 and 11

Page 3, line 12, strike "loss benefits" and insert "*no disability income loss benefits are payable unless the weekly workers' compensation disability benefits are less than the weekly disability benefit as set out in section 65B.44, subdivision 3, in which case the reparation obligor shall pay to the injured person the amount that the weekly disability and income loss benefits payable under section 65B.44, subdivision 3, exceeds the weekly workers' compensation disability benefits*"

Page 3, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1978, Section 65B.61, is amended by adding a subdivision to read:

*Subd. 2a. If benefits are paid or payable under a workers' compensation law because of death, no survivors' economic loss benefits are payable unless the weekly workers' compensation dependency allowance is less than the weekly survivors' economic loss benefit rate as set out in section 65B.44, subdivision 6, in which case the reparation obligor shall pay to the surviving dependents the amount that the weekly survivors' economic loss benefits payable under section 65B.44, subdivision 6, exceed the weekly workers' compensation dependency allowances.*

Sec. 6. Minnesota Statutes 1978, Section 65B.61, is amended by adding a subdivision to read:

*Subd. 2b. If medicare benefits are paid or payable because of the injury, any benefits payable under section 65B.44, subdivision 2, are limited to the amount by which the medical expenses exceed the medicare payments."*

Page 4, delete section 7 and insert:

"Sec. 8. [REPEALER.] *Minnesota Statutes 1978, Section 65B.49, Subdivisions 5 and 6, are repealed.*

Sec. 9. [EFFECTIVE DATE.] *Sections 2 and 8 are effective the day following final enactment."*

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to no-fault automobile insurance; coordinating benefits with medicare and workers' compensation; extending eligibility for the assigned claims plan; providing for mandatory uninsured motorist coverage; eliminating certain mandatory offers; amending Minnesota Statutes 1978, Sections 65B.46, Subdivision 2; 65B.49, by adding a subdivision; 65B.61, Subdivisions 1 and 2, and by adding subdivisions; 65B.64, Subdivision 1; repealing Minnesota Statutes 1978, Section 65B.49, Subdivisions 5 and 6."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1721: A bill for an act relating to unemployment compensation; including certain services as within definition of employment; providing for the noncharging of certain benefits; regulating accounts of successor employers; regulating reimbursements; providing for deductions from benefits; clarifying a certain disqualification from benefits; regulating employer protests; regulating certain interest charges and penalties; providing for adjustments; amending Minnesota Statutes 1978, Sections 268.06, Subdivisions 25, 26 and 28; 268.10, Subdivision 1; 268.16, Subdivisions 1, 2 and 6; and Minnesota Statutes, 1979 Supplement, Sections 268.04, Subdivision 12; 268.06, Subdivisions 5, 22 and 33; 268.08, Subdivision 3; and 268.09, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 16, line 28, after "to" insert "*an employer that is liable for payments in lieu of contributions or to*"

Page 16, line 29, strike "who" and insert "*if the employer*"

Page 17, delete lines 17 and 18 and insert "*Benefits shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer for*"

Page 17, line 22, after "the" insert "*unemployed*"

Page 17, delete lines 26 to 28

Page 19, line 26, strike "this chapter, including"

Page 19, line 27, strike the comma

Page 27, line 11, after the period insert "*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.*"

Page 27, delete lines 25 to 30 and insert:

*"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."*

Page 35, after line 24, insert:

*"Sec. 14. [EFFECTIVE DATE.] The provision of section 9 which amends Minnesota Statutes, Section 268.09, Subdivision 1, Clause (1) is effective July 27, 1979. All other provisions of this act are effective the day following final enactment."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1749: A bill for an act relating to insurance; providing the commissioner with rule-making power on the subject of unfair methods and unfair or deceptive acts and practices; amending Minnesota Statutes 1978, Section 72A.19.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1978, Section 72A.13, is amended to read:

72A.13 [ACCIDENT AND HEALTH INSURANCE, VIOLATIONS OF CERTAIN SECTIONS; PENALTIES.] *Subdivision 1.* Any company, corporation, association, society, or other insurer, or any officer or agent thereof, which or who *solicits*, issues or delivers to any person in this state any policy in ~~wilful~~ violation of the provisions of sections 62A.01 to 62A.10, ~~shall~~ *may* be punished by a fine of not more than \$100 for each offense, and the commissioner may revoke the license of any company, corporation, association, society, or other insurer of another state or country, or of the agent thereof, which or who *wilfully* violates any provision of sections 62A.01 to 62A.10.

*Subd. 2.* *No insurer, company, corporation, association, society, trust or other person may solicit, deliver or issue to any person in this state mass marketed life or health insurance if the total charges for the insurance to the persons insured are unreasonable in relation to the benefits provided. As to health insurance, the applicable standards are those established pursuant to section 62A.02, subdivision 3. A finding that total charges are unreasonable in relation to the benefits provided shall be made pursuant to the contested case provisions of chapter 15. After the finding is made, the commissioner may institute the penalties provided in subdivision 1 and may issue an order directing the insurer to cease and desist the solicitation, delivery or issuance of the insurance. The order shall be in effect until the total charges for the insurance are found to be reasonable in relation to the benefits. For the purposes of this section:*

(a) “*Mass marketed life or health insurance*” means the insurance under any individual, franchise, group or blanket policy of life or health insurance which is offered by means of direct response solicitation through a sponsoring organization or through the mails or other mass communications media under which the person insured pays all or substantially all of the cost of the insurance.

(b) “*Direct response solicitation*” means any offer by an insurer to persons in this state, either directly or through a third party, to

*effect life or health insurance coverage which enables the individual to apply or enroll for the insurance on the basis of the offer. It does not include solicitations for insurance through an employee benefit plan which is defined in P.L. 93-406, 88 Stat. 829, nor does it include such a solicitation through the individual's creditor with respect to credit life or credit health insurance.*

*Subd. 3. Any insurer extending mass marketed life or health insurance under a group or blanket policy issued outside this state to residents of this state shall:*

*(a) Comply with respect to such insurance with the requirements of this state relating to advertising and to claims settlement practices; and*

*(b) Upon request of the commissioner make available, for the purpose of determining compliance with the provisions of this section, copies of any such policy or certificates issued thereunder, and advertising material used within this state in connection with the insurance."*

Page 1, after line 21, insert:

"Sec. 3. Minnesota Statutes 1978, Section 72A.41, Subdivision 1, is amended to read:

**72A.41 [TRANSACTIONING BUSINESS WITHOUT CERTIFICATE OF AUTHORITY PROHIBITED.]** Subdivision 1. It ~~shall~~ *be* unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state, as set forth in subdivision 2, without a certificate of authority from the commissioner; provided that this subdivision ~~shall~~ *does* not apply to: (a) contracts of insurance procured by agents under the authority of section 60A.20; (b) contracts of reinsurance and contracts of ocean or wet marine and transportation insurance; (c) transactions in this state involving a policy lawfully solicited, written and delivered outside of this state covering only subjects of insurance not resident, located or expressly to be performed in this state at the time of issuance and which transactions are subsequent to the issuance of ~~such~~ *the* policy; (d) transactions in this state involving group or blanket insurance and group annuities where the master policy of such groups was lawfully issued and delivered in a state in which the company was authorized to do an insurance business *where, except for group annuities, the insurer complies with section 72A.13. The commissioner may require the insurer which has issued such master policy to submit any information as the commissioner reasonably requires in order to determine if probable cause exists to convene a hearing to determine whether the total charges for the insurance to the persons insured are unreasonable in relation to the benefits provided under the policy;* (e) transactions in this state involving a policy of insurance or annuity issued prior to July 1, 1967; or (f) contract of insurance procured under the authority of section 60A.19, subdivision 8; or (g) transactions in this state involving contracts of insurance covering property or risks not located in this state."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "insurance;" insert "providing for the regulation of mass marketed life or health insurance;"

Page 1, line 6, delete "Section" and insert "Sections 72A.13;"

Page 1, line 6, after "72A.19" insert "; and 72A.41, Subdivision 1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1787: A bill for an act relating to ethics in government; changing certain procedures and standards concerning election campaign financing; appropriating money; amending Minnesota Statutes 1978, Sections 10A.01, by adding subdivisions; 10A.13, by adding a subdivision; 10A.20, Subdivision 3; 10A.25, Subdivision 1; 10A.27, Subdivisions 1, 2 and 8; 10A.28, Subdivisions 1, 3 and 4; 10A.30, Subdivision 2; 10A.31, Subdivisions 1, 2, 3, 4, 5, and by adding subdivisions; and 10A.32, Subdivisions 1, 3, and by adding a subdivision; repealing Minnesota Statutes 1978, Sections 10A.25, Subdivisions 2 to 7, and 10: 10A.27, Subdivision 7; 10A.28, Subdivision 2; 10A.31, Subdivisions 3a, and 6 to 11; 10A.32, Subdivisions 2, 3a, 3b and 4; 10A.33; and 10A.335.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete sections 1 to 3

Pages 5 to 21, delete sections 5 to 37 and insert:

"Sec. 2. Minnesota Statutes 1978, Section 10A.25, Subdivision 2, is amended to read:

Subd. 2. In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

(a) For governor and lieutenant governor, running together,  $12\frac{1}{2}$  cents per capita or ~~\$600,000~~ \$800,000, whichever is greater;

(b) For attorney general,  $2\frac{1}{2}$  cents per capita or ~~\$100,000~~ \$150,000, whichever is greater;

(c) For secretary of state, state treasurer and state auditor, separately,  $1\frac{1}{4}$  cents per capita or ~~\$50,000~~ \$75,000, whichever is greater;

(d) For state senator, 20 cents per capita or ~~\$15,000~~ \$20,000, whichever is greater;

(e) For state representative, 20 cents per capita or \$7,500 \$10,000 , whichever is greater.

Sec. 3. Minnesota Statutes 1978, Section 10A.27, Subdivision 1, is amended to read:

10A.27 [ADDITIONAL LIMITATIONS.] Subdivision 1. Except as provided in subdivisions 2 and 6, no candidate shall permit his principal campaign committee to accept contributions *and loans* from any individual, political committee, or political fund *in an aggregate amount* in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and \$150 in the other year.

Sec. 4. Minnesota Statutes 1978, Section 10A.27, Subdivision 2, is amended to read:

Subd. 2. No candidate shall permit his principal campaign committee to accept contributions *and loans* from any political party *in an aggregate amount* in excess of five times the amount that may be contributed to that candidate by a political committee as set forth in subdivision 1.

Sec. 5. Minnesota Statutes 1978, Section 10A.30, Subdivision 1, is amended to read:

10A.30 [STATE ELECTIONS CAMPAIGN FUND.] Subdivision 1. There is hereby established an account within the ~~special revenue~~ *general* fund of the state to be known as the "state elections campaign fund".

Sec. 6. Minnesota Statutes 1978, Chapter 10A, is amended by adding a section to read:

[10A.312] [MATCHING FUNDS SYSTEM.] *Subdivision 1. For the purpose of this section "qualifying contribution" means a transfer of \$20 or less by an individual, political committee or political fund other than the candidate or the candidate's immediate family to a principal campaign committee of a candidate for state constitutional or legislative office made after November 15 of the year preceding the election year. Not more than \$20 of the aggregate transfers made in the election year by an individual, political committee or political fund may be certified by the board as a qualifying contribution.*

*Subd. 2. For the purpose of this section "qualified expenditure" means an expenditure by the principal campaign committee of a candidate or an approved expenditure for services, materials, facilities, or other things of value to further the candidate's nomination or election to office during the year in which the primary or general election in which the candidate seeks nomination or election is held. Qualified expenditure does not include:*

*(a) An expenditure in violation of any law of the United States or of this state;*

*(b) A payment to the extent clearly in excess of the fair market value of services, materials, facilities, or other things of value received in exchange;*

*(c) Gifts or charitable contributions; or*

*(d) Noncampaign disbursements as defined in subdivision 10c.*

*Subd. 3. Subject to the provisions of this section, a candidate for constitutional or legislative office is entitled to receive from the state elections campaign fund an amount not to exceed one-half of the amount that may be spent by that candidate pursuant to section 10A.25.*

*Subd. 4. A candidate who desires to receive funds under this section may apply to the board to participate in the matching system after November 15 of the year preceding the election year for the office sought. A candidate may submit records of contributions and the board may certify contributions as qualifying contributions if the contributions were made after the candidate has filed with the board an application to participate in the matching system and has registered a principal campaign committee. Records of contributions submitted for certification shall include the name and address of each contributor and the date of each contribution. This information is in addition to and not in lieu of any other reporting requirement under this chapter. A candidate is not required to file an agreement under section 10A.32, subdivision 3, as a condition of board certification of qualifying contributions; but a candidate shall sign the agreement as a condition to receiving any matching funds under this section.*

*For candidates applying to participate in the matching system in 1980, the candidate may submit records of contributions and the board may certify contributions as qualifying if the contributions were made to the candidate after November 15, 1979.*

*Subd. 5. A candidate is entitled to receive \$1 from the state elections campaign fund for each \$1 received by the candidate in certified qualifying contributions which exceeds the threshold amount of certified qualifying contributions received by the candidate as follows:*

<i>Office Sought</i>	<i>Threshold Amount Of Qualifying Contributions</i>
<i>Governor and Lieutenant Governor</i>	<i>\$50,000</i>
<i>Attorney General</i>	<i>\$10,000</i>

<i>Secretary of State, State Treasurer, or State Auditor</i>	<b>\$ 5,000</b>
<i>Senate</i>	<b>\$ 2,000</b>
<i>House of Representatives</i>	<b>\$ 1,000</b>

*The executive director shall promptly notify a candidate when the board has certified the threshold amount of qualifying contributions as provided in this subdivision.*

*Subd. 6. Beginning after the last day for withdrawal of candidates who have filed affidavits or petitions of candidacy for the general election the board may disburse matching funds to a candidate who:*

*(a) Is entitled to have his name appear on the primary or general election ballot;*

*(b) Has received qualifying contributions in excess of the threshold amount provided in subdivision 5; and*

*(c) Who has signed an agreement pursuant to section 10A.31, subdivision 3. The board shall certify records of qualifying contributions submitted by such a candidate in a timely manner and in any case, not less than every 14 days after the last day for withdrawal of candidates. No qualifying contributions are eligible for matching funds if the records of the contributions are submitted to the board after November 15 of the election year.*

*Subd. 7. An unopposed candidate in a primary or general election is not entitled to any money from the state elections campaign fund. For purposes of this subdivision, a write-in candidate shall not be regarded as opposition or as creating a contested election.*

*Subd. 8. Money received by a candidate from the state elections campaign fund under this section may be spent only for qualified expenditures as defined in this section. No candidate may receive or retain any money from the state elections campaign fund which exceeds the amount of qualified expenditures made by the candidate in the election year. Any amount received in excess of the amount of qualified expenditures shall be returned to the board with the report due on January 31 after the election.*

*Subd. 9. A candidate who accepts any money from the state elections campaign fund under this section thereby authorizes the board, at its discretion and upon reasonable notice, to conduct a thorough examination and audit of all records kept by the candidate's principal campaign committee.*

*If a candidate or the treasurer of his principal campaign committee cannot demonstrate through adequate records the receipt of a sufficient amount of qualifying contributions or the expenditure of a sufficient amount of qualified expenditures, the candidate shall promptly return to the board any amount of money received by the candidate from the state elections campaign funds which is in excess of the amount the candidate*

*was entitled to receive or in excess of the qualified expenditures made by the candidate or his principal campaign committee.*

*Subd. 10. Money returned by a candidate pursuant to this section shall be deposited in the state elections campaign fund.*

**Sec. 7. [APPROPRIATIONS.] Subdivision 1. [TRANSFER OF FUNDS.]** *The state elections campaign fund in the special revenue fund is abolished and all money now deposited in the fund shall be transferred to the state elections campaign fund established under section 10A.30. All revenues hereafter received under the provisions of former Minnesota Statutes, Section 10A.31, shall be deposited in the fund established under section 10A.30. All sums so transferred or deposited are appropriated to the ethical practices board for payments to candidates as provided in chapter 10A.*

*Subd. 2. [ADDITIONAL APPROPRIATION.] The sum of \$..... is appropriated from the general fund to the ethical practices board and shall be deposited in the state elections campaign fund established under section 5 for payment by the board to candidates as provided in Minnesota Statutes, Chapter 10A.*

**Sec. 8. [REPEALER.]** *Minnesota Statutes 1978, Sections 10A.30, Subdivision 2; 10A.31; 10A.32, Subdivisions 1, 2, 3a and 4; and 10A.335 are repealed.*

**Sec. 9. [EFFECTIVE DATE.]** *This act is effective the day following final enactment."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 to 17 and insert "relating to elections; amending certain provisions regulating campaign finance contribution and expenditure limits and disclosure; eliminating the income tax check-off and establishing a matching system for public financing of political campaigns; appropriating money; amending Minnesota Statutes 1978, Sections 10A.20, Subdivision 3; 10A.25, Subdivision 2; 10A.27, Subdivisions 1 and 2; 10A.30, Subdivision 1; and Chapter 10A, by adding a section; repealing Minnesota Statutes 1978, Sections 10A.30, Subdivision 2; 10A.31; 10A.32, Subdivisions 1, 2, 3a and 4; and 10A.335."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2305: A bill for an act relating to energy; prohibiting the sale of certain motor vehicles after a certain date unless a certain prescribed condition is met.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 116H.087, is amended to read:

116H.087 [ENERGY CONSERVATION PUBLICITY.] The director of the energy agency in consultation with the director of the housing finance agency *other affected agencies or departments shall develop informational materials, pamphlets and radio and television messages on the energy conservation and housing programs available in Minnesota, renewable energy resources, and energy supply and demand. The pamphlets printed materials shall include information on available tax credits for residential energy conservation measures, residential retrofitting loan and grant programs, and data on the economics of energy conservation and renewable resource measures. Before the pamphlets printed material or media messages are released for general distribution they shall be reviewed by the appropriate standing committees of the legislature.*

Sec. 2. Minnesota Statutes 1978, Section 116H.12, Subdivision 11, is amended to read:

Subd. 11. Beginning January 1, 1979, no new residential

- (a) forced air type central furnace,
- (b) cooking appliance manufactured with an electrical supply cord, or
- (c) clothes drying equipment

designed to burn natural gas equipped with a continuously burning pilot shall be sold or installed in Minnesota. *This subdivision shall not apply to forced air type furnaces designed for installation in mobile homes.*

Sec. 3. Minnesota Statutes 1978, Section 116H.129, Subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL ENERGY DISCLOSURE PROGRAM.] By March 1, ~~1979~~ 1980, the commissioner of administration, in consultation with the director of the energy agency and the appropriate standing committees of the legislature, shall promulgate rules providing for residential energy disclosure requirements and shall approve forms for the purposes of this subdivision. The rules and forms shall provide only for the disclosure of structural characteristics, energy use characteristics relating to energy consumption and conservation, and the extent of compliance with standards adopted pursuant to subdivision 1. Nothing in the forms shall indicate or be deemed to indicate that the residence meets all state building code specifications.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 116H.22, is amended to read:

116H.22 [MONEY FOR SCHOOLS AND GOVERNING BODIES.] ~~Funds~~ Money to pay part or all of the actual costs of mini-audits, maxi-audits and energy conservation measures performed by or for schools and governing bodies shall be available

from legislative appropriations made for that purpose in accordance with the priorities established in section 116H.23. *Money appropriated pursuant to this section shall be available to school districts and local governmental units which submitted acceptable mini-audits or maxi-audits after April 9, 1976 and prior to July 1, 1979.*

Sec. 5. Minnesota Statutes 1978, Section 462A.06, Subdivision 11, is amended to read:

Subd. 11. It may make and publish rules and regulations pursuant to chapter 15 respecting its mortgage lending, construction lending, rehabilitation lending, grants, and temporary lending, and any such other rules and regulations as are necessary to effectuate its corporate purpose, and may adopt temporary rules to implement demonstration programs for the financing of residential housing.

Sec. 6. Minnesota Statutes 1978, Chapter 475, is amended by adding a section to read:

[475.525] [ENERGY RETROFITTING AND IMPROVEMENTS.] *A municipality may issue bonds pursuant to this chapter for the purpose of retrofitting or otherwise improving the energy efficiency of public buildings. Bonds issued under authority of this section may be issued without approval of the electors and shall mature in ten years or less, but shall otherwise be subject to all requirements of this chapter.*

Sec. 7. [AVAILABILITY OF MATCHING FUNDS; POSITIONS.] *Money appropriated by Extra Session Laws 1979, Chapter 2, Section 45, Subdivision 2, Clause (i) shall be available for use in matching federal, local or private money for district heating systems when the federal or local government or private sources, or a combination thereof, issues a letter of intent to finance the project at the rate of \$3 for each \$1 of state money. Positions authorized by Extra Session Laws 1979, Chapter 2, Section 45, Subdivision 2, may be in the classified or unclassified service.*

Sec. 8. [ENERGY EFFICIENT BUILDING EDUCATION.] *The energy agency shall develop a program to provide information and training to 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. 9. [ENERGY AUDITS.] *The energy agency and the consumer services division of the department of commerce shall develop the state plan for the program of energy audits of residential and commercial buildings required by 42 United States Code 8211.*

Sec. 10. [ALCOHOL FUELED MOTOR VEHICLES.] *Any motor vehicle manufacturer doing business in this state who manufactures motor vehicles powered by pure alcohol or by a blend of alcohol and water shall, as a condition of continuing to do business within the state, after August 1, 1982, offer for sale within the state the line of alcohol powered vehicles.*

*For the purposes of this section the term "motor vehicle" means any vehicle which runs on four wheels or more, is propelled by a gasoline or diesel fueled internal combustion engine and is designed to operate primarily on public streets and highways or is used primarily in agricultural production.*

**Sec. 11. [MINNESOTA BIOMASS CENTER.]** *Subdivision 1. The director of the energy agency, in consultation with the commissioner of agriculture, shall prepare a plan for the creation and organization of a Minnesota biomass center, to be delivered to the legislature by January 1, 1981.*

*The center shall be the focus of biomass energy activities for the state. To the maximum extent possible, the center shall coordinate its activities and the use of its staff and facilities with those of other entities involved in biomass energy projects.*

**Subd. 2. [RESPONSIBILITIES.]** *The center shall:*

*(1) coordinate existing education and training programs for biomass energy production and use within the state and develop new programs where necessary. Educational programs shall cover all types of biomass energy production use, including but not limited to production from grain, biowaste, and cellulosic materials;*

*(2) serve as a central information resource in conjunction with existing agencies and academic institutions in order to provide information to the public on the production and use of biomass energy. The center shall obtain and analyze available information on biomass energy topics and prepare it for distribution to ensure that the public receives the most accurate and up to date information available;*

*(3) participate in necessary research projects to assist in technological advancement in areas of biomass energy production, distribution and use. The center shall also study the environmental and safety aspects of biomass energy use;*

*(4) support and coordinate financing activities for biomass energy production, including providing technical assistance and manuals to individuals and groups seeking private, local, state or federal funding. The center shall be responsible for evaluating projects for any state assistance that may become available;*

*(5) develop consumer information and protection programs for all aspects of biomass energy production and use;*

*(6) investigate marketing and distribution needs within the state in cooperation with the department of economic development;*

*(7) review state and federal laws and regulations affecting biomass energy production and use, and evaluate regulatory incentives in order to provide the legislature with legislative proposals for the encouragement of biomass energy production and use within the state.*

**Sec. 12. [ETHANOL DEMONSTRATION PLANT.]** *The*

*University of Minnesota shall construct and operate a small scale plant for the production of ethanol at the University of Minnesota, Morris campus. The plant shall produce ethanol from more than one resource. The plant shall operate for at least two years and shall be instrumented and monitored. The university shall determine the feasibility of utilization of byproducts produced by the plant. The plant shall be designed for easy replication by farmers. The University shall develop and print at least 5,000 copies of easily understandable plans and blueprints which demonstrate the construction of a small scale ethanol plant. The plans and blueprints shall be available at no cost from the agricultural extension service.*

*Sec. 13. [APPROPRIATIONS.] Subdivision 1. The sum of \$2,277,000 is appropriated from the general fund to the agencies and for the purposes indicated in this section, to be available until June 30, 1981, except as otherwise provided in this section. Approved complement positions shall be in the unclassified service and for the balance of the biennium ending June 30, 1981 only.*

*Subd. 2. To the Minnesota energy agency:*

- (a) Expansion of the energy conservation information center established pursuant to Minnesota Statutes, Section 116H.085 \$123,000  
Approved complement—3.*
- (b) Energy conservation publicity pursuant to section 1 \$380,000  
Approved complement—4.*
- (c) Three regional energy information centers. \$180,000*
- (d) Continued operation of fuel allocation program \$182,000  
Approved complement—8.*
- (e) Energy supply emergency plan development \$ 60,000  
Approved complement—2.*
- (f) Renewable energy resource research and development grants:*
  - (i) for research on the potential for using Minnesota wetlands for plant biomass production for energy. A report on the research shall be presented to the appropriate standing committees of the legislature by March 1, 1982. \$250,000*
  - (ii) for research and projects that demonstrate the use of wind, wood or agricultural residues, and special crops as energy sources that will further the development of renewable energy technologies that use Minnesota energy resources. Grants shall be matched by \$2 for each \$1 of state money. \$350,000*
- (g) Energy efficient building education pursuant to section 6 \$ 70,000  
Approved complement—1.*

- (h) *For the purposes specified in section 11. It is a condition of acceptance of the appropriation made in clause (h) that the agency shall submit a work program and progress reports in the form determined by the legislative commission on Minnesota resources. None of the moneys provided in this subdivision may be expended unless the commission has approved the pertinent work program.* \$ 50,000
- (i) *For the establishment of a regional energy center at Southwest State University to provide information on energy use, supply, and conservation techniques and the use of renewable energy sources, especially ethanol. The university shall also provide a statewide toll-free telephone ethanol information program.* \$112,000
- (j) *Development of state plan for energy audits for residential and commercial buildings pursuant to section 9* \$ 70,000  
*Approved complement—1.*

*Subd. 3. To the University of Minnesota for construction and operation of a small scale ethanol plant and the production of plans and blue prints pursuant to section 12.* \$300,000

*Subd. 4. To the department of education for alcohol fuel training programs and equipment for educators and informational seminars for citizens through the Pipestone area vocational-technical institute.* \$150,000

*Subd. 5. To the department of natural resources for developing and implementing a fuelwood management program to increase the availability of fuelwood on public and private lands by the application of sound forest management techniques including timber stand improvements and utilization of wood residues resulting from timber harvesting and site conversion. Notwithstanding any law to the contrary the department may make contracts for professional, technical or consulting services to implement this program.* \$400,000  
*Approved complement—1.*

*Sec. 14. [REPEALER.] Minnesota Statutes 1978, Sections 116H.125; and 325.986, Subdivisions 1 and 2, are repealed.*

*Sec. 15. [EFFECTIVE DATE.] This act is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to energy; expanding energy awareness programs; providing for certain renewable energy grant programs; requiring certain motor vehicle manufacturers to offer for sale alcohol fueled vehicles after a certain date; creating a Minnesota biomass center; providing for an ethanol demonstration

plant; authorizing municipal bond issues to finance energy improvements without voter approval; appropriating money; amending Minnesota Statutes 1978, Sections 116H.087; 116H.12, Subdivision 11; 116H.129, Subdivision 5; 462A.06, Subdivision 11; Chapter 475, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 116H.22; repealing Minnesota Statutes 1978, Sections 116H.125; and 325.986, Subdivisions 1 and 2."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2317: 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; reenacting a law; amending Minnesota Statutes 1978, Sections 15.052, Subdivision 9; 16.851, Subdivision 1; 16A.-26; 25.31; 25.32; 25.33, Subdivisions 1 and 5; 25.34, Subdivision 3; 25.36; 25.40; 25.41, Subdivisions 1 and 5; 25.42; 25.43; 25.44; 28A.15, Subdivision 4; 89.35; 89.36, Subdivision 1; 89.39; 93.45, Subdivision 2; 111.21, Subdivision 1; 112.46; 116.02, Subdivision 2; 116.16, Subdivision 2; 116C.65; 116H.06; 120.17, Subdivision 9; 122.531, Subdivision 2; 123.42; 124.212, Subdivision 8a; 124.46, Subdivision 3; 125.12, Subdivision 4; 126.41, Subdivision 2; 128A.-04; 136.148; 136.501; 136.503, Subdivision 1; 136.506; 144.225, Subdivision 1; 144A.01, Subdivision 5; 144A.10, Subdivision 1; 144A.24; 145.22; 147.073, Subdivision 1; 161.171, Subdivision 5; 161.173; 162.02, Subdivision 11; 168B.02, Subdivisions 1 and 2; 168B.05; 168B.07, Subdivision 2; 168B.08, Subdivision 3; 169.751; 169.99, Subdivision 3; 179.61; 179.62; 179.63, Subdivisions 1 and 4; 179.65, Subdivision 1; 179.66, Subdivisions 5, 6 and 9; 179.67, Subdivision 1; 179.68; 179.71, Subdivisions 2, 4 and 5; 179.74, Subdivision 2; 181.12; 197.17; 202A.61; 238.01; 238.02, Subdivisions 1 and 4; 238.03; 238.04, Subdivision 9; 238.06, Subdivision 2; 238.08, Subdivision 4; 238.10; 238.16, Subdivision 2; 241.-08, Subdivision 2; 241.44, Subdivision 1a; 242.37; 243.07; 243.12; 245.813, Subdivision 9; 256.09; 256.736, Subdivision 3; 256.76, Subdivision 2; 256.78; 256D.10; 256D.13; 260.251, Subdivision 3; 268.013, Subdivision 6; 296.01, Subdivision 1; 296.11; 296.15, Subdivision 2; 296.17, Subdivisions 1 and 5; 296.19; 296.20; 296.24; 301.511, Subdivision 2; 325.01, Subdivision 1; 325.907, Subdivision 1; 326.33, Subdivision 1; 333.055, Subdivision 2; 340.07, Subdivision 11; 340.11, Subdivision 9; 340.12; 340.14, Subdivision 5; 352.116; 352.1191; 352E.01, Subdivision 1; 352E.04; 352E.045; 354.44, Subdivision 5; 359.07, Subdivision 2; 360.018, Subdivisions 7 and 9; 363.02, Subdivision 3; 365.22; 367.33, Subdivision 3; 387.45; 390.23; 394.24, Subdivision 3; 394.25, Subdivision 5a; 401.02, Subdivision 1; 412.251; 419.07; 419.075, Subdivision 2; 422A.06, Subdivision 2; 422A.11, Subdivision 1; 429.061, Subdivision 1; 435.191; 440.40; 459.14, Subdivision 7; 462.352, Subdivision 10; 462.36, Subdivision 1; 465.56, Subdivision 2; 471.591, Subdivision 1; 473.163, Subdivision 3; 473.223; 473F.02, Subdi-

vision 21; 474.02, Subdivision 1b; 485.018, Subdivision 4; 485.021; 505.178, Subdivision 2; 525.72; 546.10; 626.556, Subdivision 11; 628.41, Subdivision 6; Chapter 390, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 10A.01, Subdivision 11; 62A.02, Subdivision 3; 69.771, Subdivision 1; 179.74, Subdivision 4; 256B.06, Subdivision 1; 273.73, Subdivision 6; 273.76, Subdivision 2; 273.77; 273.86, Subdivision 4; 275.125, Subdivision 9; 290.06, Subdivisions 3g and 14; 326.211, Subdivision 9; 354A.094, Subdivisions 2, 3, 8, and by adding a subdivision; 354A.38, Subdivision 3; 402.01, Subdivision 1; 424A.06, Subdivision 2; 462A.22, Subdivision 1a; 519.11, Subdivision 1; 549.09, Subdivision 1; Laws 1979, Chapters 134, Section 2; 333, Sections 26, and 31, Subdivision 3; 335, Section 3, Subdivision 20; and reenacting Laws 1979, Chapter 303, Article I, Section 14; repealing Minnesota Statutes 1978, Sections 239.27; 325.01, Subdivisions 8, 9, 10, 11 and 12; 354A.22, as amended by Laws 1979, Chapter 334, Article VII, Sections 23 to 26; 390.33, Subdivision 7; Laws 1976, Chapters 155, Section 1; 222, Sections 30 and 31; 348, Section 15; Laws 1977, Chapter 323, Section 1; Laws 1979, Chapters 31, Section 2; 217, Section 11; and 316, Section 11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 123, after line 7, insert:

"Sec. 181. Minnesota Statutes, 1979 Supplement, Section 609.341, Subdivision 13, is amended to read:

Subd. 13. "Complainant" means a person ~~alleging~~ *alleged* to have been subject to criminal sexual conduct, but need not be the person who signs the complaint."

Page 124, line 8, delete "187" and insert "188"

Page 128, line 4, delete "192" and insert "193"

Page 134, line 8, delete "194" and insert "195"

Page 134, line 31, delete "196" and insert "197"

Renumber the sections in sequence

Page 149, after line 11, insert:

"Sec. 181. *Explanation.* The use of the word "alleging" is confusing and awkward. The amendment clarifies the meaning and conforms with the clear legislative intent."

Renumber the explanation sections in sequence

Amend the title as follows:

Page 2, line 31, after the second semicolon, insert "609.341, Subdivision 13;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 630: A bill for an act relating to commerce; providing for the licensing and regulation of mobile home dealers, brokers and salespersons; transferring certain responsibilities from the commissioner of administration to the commissioner of securities; prescribing certain additional duties for the commissioner of securities; providing penalties; amending Minnesota Statutes 1978, Sections 82.17, Subdivision 8; 168.27, Subdivision 20; 327.51, Subdivision 3; and 327.55, Subdivisions 1, 3 and 4; repealing Minnesota Statutes 1978, Section 327.55, Subdivisions 2, 5 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 327.43, Subdivision 1, is amended to read:

327.43 [ENTRANCE AND TRANSFER FEES PROHIBITED; SECURITY DEPOSITS LIMITED.] Subdivision 1. No fee other than the periodic rental payment specified in the lease or rental agreement may be charged to a mobile home park tenant or prospective tenant for the right to obtain or retain a space or lot, provided that a lessor may impose a reasonable charge for goods and services actually furnished by or at his expense in setting up a mobile home on a space or lot. *No lessor shall require the removal of a mobile home from a lot for any reason if a purpose or result of the removal is the collection of a fee prohibited by this section.*

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 327.43, Subdivision 2, is amended to read:

Subd. 2. *A lessor seeking to recover possession of land upon which an occupied mobile home is situated in the event of nonpayment of rent shall give ten days written notice to the tenant, and to any other party holding an interest in the mobile home unit known to the lessor, to pay the rent then owing and cure the default. Upon failure of either the tenant or secured party to so cure, the lessor may commence legal proceedings to recover possession. No lessor shall deny any mobile home park tenant the right to sell said the tenant's mobile home within the park or require the tenant to remove the mobile home from the park solely on the basis of the sale thereof unless the home is more than 15 years old. The lessor may reserve the right to approve the purchaser of said the mobile home as a tenant, but such permission may not be unreasonably withheld, and the lessor shall not exact a commission or fee with respect to the price realized by the seller unless the lessor has acted as agent for the seller in the sale pursuant to a written contract. For the purposes of this subdivision, "sale" is defined to include the exercise by a secured party of its rights under a security agreement respecting the mobile home.*

Sec. 3. Minnesota Statutes 1978, Section 327.51, Subdivision 1, is amended to read:

327.51 [DEFINITIONS.] Subdivision 1. As used in sections 327.51 to 327.55 and sections 9 to 12 of this act, the terms defined in this section have the meanings given them.

Sec. 4. Minnesota Statutes 1978, Section 327.51, is amended by adding a subdivision to read:

*Subd. 12. "Trust account" means a demand deposit or checking account maintained for the purpose of segregating trust funds from other funds.*

Sec. 5. Minnesota Statutes 1978, Section 327.51, is amended by adding a subdivision to read:

*Subd. 13. "Trust funds" means funds received by a dealer in a fiduciary capacity as a part of a mobile home sale transaction, pending the consummation or termination of a transaction, and includes all down payments, earnest money deposits, rents for clients, tax and insurance escrow payments, damage deposits, and any funds received on behalf of a person.*

Sec. 6. Minnesota Statutes 1978, Section 327.51, is amended by adding a subdivision to read:

*Subd. 14. "Net listing agreement" means an agreement by a dealer to sell, offer for sale, solicit or advertise the sale of a mobile home on behalf of a person which provides for the dealer to receive any consideration from a person other than a commission based on a percentage of the price at which the home is actually sold.*

Sec. 7. Minnesota Statutes 1978, Section 327.55, Subdivision 1, is amended to read:

327.55 [MANUFACTURERS AND DEALERS; LICENSES.] Subdivision 1. [LICENSE.] No person, copartnership or corporation shall engage in the business, either exclusively or in addition to any other occupation, of selling or manufacturing mobile homes, new or used, or shall offer to sell, solicit or advertise the sale of mobile homes, new or used, without first having acquired a license therefor as hereinafter provided. Application for such the license and its renewal thereof, shall be made to the commissioner, shall be in writing, and duly verified by oath. The applicant shall submit such any information as required by the commissioner may require, upon blanks provided by the commissioner for such that purpose. No application shall be granted nor a license issued to anyone, until and unless the applicant shall furnish furnishes proof satisfactory to the commissioner of the following:

(1) That the applicant has an established place of business; an established place of business when used in this section, means a permanent enclosed building or structure either owned in fee or leased at which a permanent business of bartering, trading and selling of mobile homes will be carried on as such in good faith and not for the purpose of evading this section, and at which place of business shall be kept and maintained the books, records, and files necessary to conduct the business at such place and shall not mean residence, tents, temporary stands, or other temporary

quarters, nor permanent quarters occupied pursuant to any temporary arrangement;

(2) That if the applicant desires to sell, solicit or advertise the sale of both new and used mobile homes, he must have a bona fide contract or franchise in effect with a manufacturer or distributor of the new mobile home he proposes to deal in.

(3) That the applicant has secured a surety bond executed by the applicant as principal and issued by a surety company admitted to do business in this state, which shall be in the amount of ~~\$10,000~~ \$100,000, and be conditioned upon the faithful compliance by the applicant with all of the laws and rules and regulations of this state pertaining to such business, including sections 325.772 and 325.79. Any third party sustaining injuries within the terms of the bond may proceed against the principal and surety without making the state a party to ~~such the~~ proceedings. Provided, however, that the aggregate liability of the surety to all ~~such~~ persons for all ~~such~~ losses or damages shall in no event, exceed the amount of ~~such the~~ bond.

(4) *That the applicant has established a trust account as required by section 11, subdivision 2.*

Sec. 8. Minnesota Statutes 1978, Section 327.55, Subdivision 4, is amended to read:

Subd. 4. [LICENSES; REVOCATION.] ~~Such~~ A license may be revoked by the commissioner upon proof satisfactory to him of either of the following:

(1) Violations of any of the provisions of this chapter or of sections 325.72 or 327.79;

(2) Violation of or refusal to comply with the requests and order of the commissioner;

(3) Failure to make or provide to the commissioner all listings, notices, and reports required by him;

(4) Failure to pay to the commissioner all taxes, fees, and arrears due from and by ~~such the~~ dealer;

(5) Failure to duly apply for renewal of license provided for herein;

(6) Revocation of previous license, of which the records of the commissioner relating thereto shall be ~~is~~ prima facie evidence of ~~such the~~ previous revocation;

(7) Failure of continued occupancy of an established place of business;

(8) Sale of a new and unused current model mobile home other than the make of mobile home described in the franchise or contract filed with the original application or renewal thereof without permission from the commissioner;

(9) Sale of a new and unused current model mobile home to

anyone except for consumer use, or to a dealer duly licensed to sell the same make of mobile home; or

(10) Material misstatement or misrepresentation in application for license or *its renewal thereof*.

Sec. 9. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.551] [DEALER'S RECORDS.] *Subdivision 1. [RETENTION.] A licensed dealer broker shall retain for three years copies of all listings, deposit receipts, purchase money contracts, cancelled checks, trust account records and other documents as may reasonably be related to carrying on the business of a dealer. The retention period runs from the date of the closing of the transaction or from the date of the listing if the transaction is not consummated.*

*Subd. 2. [EXAMINATION OF RECORDS.] The commissioner may make examinations within or without this state of each broker's records at reasonable times and in any scope necessary to enforce the provisions of this chapter.*

Sec. 10. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.552] [RESPONSIBILITY OF DEALERS.] *Each dealer is held responsible for the activities of any person employed by or acting on behalf of that dealer when the activities occur in connection with the sale or attempted sale of a mobile home. Each officer of a corporation licensed as a dealer is held responsible for the activities of any person employed by or acting on behalf of the corporation when the activities occur in connection with the sale or attempted sale of a mobile home.*

Sec. 11. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.553] [DUTIES.] *Subdivision 1. [DISCLOSURE REQUIRED.] Prior to the consummation of the sale of any mobile home each dealer shall disclose to all parties to the transaction all charges, payments, commissions and other fees paid or payable in connection with the transactions.*

*Subd. 2. [TRUST ACCOUNT REQUIRED.] Each dealer shall maintain a trust account. A trust account shall not be an interest bearing account except by agreement of the parties and subject to regulations of the commissioner.*

*Subd. 3. [SEGREGATION OF FUNDS.] A dealer shall deposit only trust funds in a trust account and shall not commingle personal funds or other funds in that account, except that a dealer may deposit and maintain a sum from his personal funds not to exceed \$100 in a trust account, which sum shall be specifically identified and used to pay service charges relating to the trust account.*

*Subd. 4. [TRUST INFORMATION REQUIRED.] Each dealer shall provide the financial institutions and the trust account iden-*

*tification numbers used by the dealer to comply with the provisions of this section at the time of application for a license or renewal of license by the dealer. The dealer shall immediately report to the commissioner any change of trust account status including changes in financial institutions, account identification numbers, or additional accounts in the same or another financial institution. No dealer may close an existing trust account without giving ten days written notice to the commissioner.*

Sec. 12. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.554] [PROHIBITIONS.] *Subdivision 1. [LICENSE REQUIRED.] No person, partnership, association or corporation shall act as a mobile home dealer without being licensed as provided in section 327.55.*

*Subd. 2. [ADVERTISING LICENSED.] No person, partnership, association or corporation shall advertise as a mobile home dealer without being licensed as provided in section 325.55.*

*Subd. 3. [FEE SPLITTING PROHIBITED.] No dealer shall offer, pay or give, and no person shall accept, any compensation or other thing of value from any dealer by way of commission splitting, rebate, finder's fees or otherwise, in connection with any mobile home transaction; provided this subdivision does not apply to transactions (1) between a licensed dealer and the person by whom he is engaged to purchase or sell mobile homes, or (2) among persons licensed as provided herein.*

*Subd. 4. [NET LISTING PROHIBITED.] No dealer shall use or offer to use a net listing agreement unless the agreement includes a binding promise by the dealer to purchase the mobile home on his own account at a price specified in the agreement in the event the mobile home is not otherwise sold within a specified period of time.*

Sec. 13. Minnesota Statutes 1978, Chapter 327, is amended by adding a section to read:

[327.56] [REMEDIES AND ENFORCEMENT.] *In addition to the procedures provided in section 327.55, subdivisions 1 and 5, any person or dealer who is found in violation of section 11 is deemed in violation of section 325.79, subdivision 1, and the provisions of section 325.907 apply."*

Amend the title as follows:

Page 1, line 3, delete ", brokers and" and insert a semicolon

Page 1, delete lines 4 to 13 and insert "imposing certain duties and prohibiting certain practices; providing penalties; amending Minnesota Statutes 1978, Sections 327.43, Subdivision 1; 327.51, Subdivision 1, and by adding subdivisions; 327.55, Subdivisions 1 and 4; and Chapter 327, by adding sections; and Minnesota Statutes, 1979 Supplement, Section 327.43, Subdivision 2."

And when so amended the bill do pass. Amendments adopted.  
Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1853: A bill for an act relating to taxation; removing limitations on the admissibility of sales ratio studies; providing that the commissioner may abate taxes without the favorable recommendation of certain county and city officers; providing that property tax court judges shall be learned in the law; providing that certain documents be made available to the petitioner and providing for their admittance as evidence; providing that tax court judgments will not include penalties; amending Minnesota Statutes 1978, Sections 270.07, Subdivision 1; 271.01, Subdivision 1; 278.01, Subdivision 1; 278.05; and 278.08; Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 4, delete section 2

Page 4, after line 32, insert:

"Sec. 3. Minnesota Statutes 1978, Section 272.70, is amended to read:

272.70 [AVAILABILITY OF ASSESSOR'S FIELD CARDS.] *Subdivision 1. [AVAILABILITY OF ASSESSOR'S FIELD CARDS.] Upon request of the owner of a homestead property, the assessor shall furnish the owner with a copy of the field card relating to the most recent appraisal of the property. The assessor may charge the owner a fee to meet the cost of furnishing the copy of the field card.*

*Subd. 2. [CLASSIFICATION OF ASSESSORS' FIELD CARDS.] Assessors' records, including assessors' field cards and property appraisal cards shall be public records except that data on the records or attached to the records which show access routes or locations of security components or statements concerning expenses or income on the property are nonpublic data not on individuals.*

*In a proceeding pursuant to chapter 271 or 278, the assessors' records, including statements concerning expenses or income on the property shall be subject to discovery and shall be admissible as evidence as public records."*

Page 5, line 7, delete "same"

Page 5, line 7, delete the first comma and insert "or"

Page 5, line 7, delete ", school district or any"

Page 5, line 8, delete the new language

Page 5, line 28, delete "within 60 days" and insert "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."

Page 5, delete lines 29 to 31

Page 7, delete lines 3 to 11 and insert:

*"Subd. 3. The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for 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."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "providing"

Page 1, delete lines 4 and 5

Page 1, line 6, delete "city officers;"

Page 1, line 12, delete "270.07, Subdivision 1;"

Page 1, line 13, after the first semicolon insert "272.70;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2226: A bill for an act relating to Hennepin County; providing for redistricting of county commissioner districts.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "nine" and insert "11"

Page 1, line 14, delete "two" and insert "four"

Page 2, line 15, after the period, insert "The commission, upon adoption of the plan, shall file the plan with the county official responsible for administration of elections."

Page 2, line 16, delete "30 days after"

Page 2, line 17, delete "it is" and insert "when"

Page 2, line 17, before the period, insert "and filed"

Page 3, line 11, after "1" insert "of the year in which it is established"

Page 4, line 13, after "other" insert "reasonable"

Page 5, delete lines 14 to 17

Page 5, line 18, delete "4" and insert "3"

Page 6, line 3, delete the colon and insert "it has adopted and filed an apportionment plan. The"

Page 6, delete lines 4 to 12

Page 6, line 25, delete "secretary of state" and insert "official with whom it is filed"

Page 6, delete lines 26 and 27

Page 6, line 28, delete "(b)" and insert "(a)"

Page 6, line 31, delete "(c)" and insert "(b)"

Page 7, line 22, delete "an original,"

Page 7, line 23, delete everything before "does" and insert "the plan"

Page 7, line 25, delete "immediately"

Page 7, delete lines 26 to 31 and insert "shall adopt its own apportionment plan within 60 days after issuing its opinion. The plan shall be adopted in accordance with the standards and form provided in this act. The court shall hold at least one public hearing before adopting the plan. Upon adoption of the plan the court shall file the plan with the county official responsible for administration of elections."

Page 7, delete lines 32 and 33

Page 8, delete lines 1 to 19 and insert:

"Subd. 3. The decision of the district court and any plan adopted by the court may be reviewed on appeal to the supreme court if the appeal is filed within 30 days after the district court issues its opinion or files its plan. The supreme court shall render its opinion within 60 days after the appeal is filed. If required by its opinion, the court shall adopt and file its own apportionment plan not later than 60 days after issuing its opinion."

Page 8, line 22, delete "by the commission" and insert "under this act"

Page 8, line 24, delete "for Hennepin County"

Page 8, line 25, before the period, insert "as applied to Hennepin County, except for the provisions of section 375.025, subdivision 4, relating to election of county commissioners from new districts"

Page 8, after line 25, insert:

"Sec. 16. This act is effective in Hennepin County."

Page 8, line 26, delete everything after "16."

Page 8, line 27, delete everything before "this"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1695 and 1732 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

<b>GENERAL ORDERS</b>	<b>CONSENT CALENDAR</b>	<b>CALENDAR</b>
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H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1695	1756				
1732	1704				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1695 be amended as follows:

Page 1, line 12, strike "Prior to" and insert "Before"

Page 2, line 1, delete "; provided that," and insert a period

Page 2, line 2, delete "any"

Page 2, line 4, delete everything after "meet"

Page 2, delete lines 5 to 9 and insert "the county standards for a comparable road in the county in which the town is located."

Amend the title as follows:

Page 1, line 5, delete "town" and insert "county" and delete "specification"

And when so amended H. F. No. 1695 will be identical to S. F. No. 1756, and further recommends that H. F. No. 1695 be given its second reading and substituted for S. F. No. 1756, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1732 be amended as follows:

Page 2, line 26, delete "an application for"

Page 2, line 28, delete "courier services carrier may include" and insert "applicant resemble"

Page 2, line 31, after "4." insert "[EFFECTIVE DATE.]"

And when so amended H. F. No. 1732 will be identical to S. F. No. 1704, and further recommends that H. F. No. 1732 be given its second reading and substituted for S. F. No. 1704, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1789, 1666, and 1656 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

<b>GENERAL ORDERS</b>		<b>CONSENT CALENDAR</b>		<b>CALENDAR</b>	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
				1789	1818
				1666	1615
				1656	1703

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

### SECOND READING OF SENATE BILLS

S. F. No. 1847 was read the second time.

S. F. Nos. 1990, 1858, 2152, 2080, 1415, 2201, 2117, 1157, 1699, 1721, 1749, 2317, 630, 1853 and 2226 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

### SECOND READING OF HOUSE BILLS

H. F. Nos. 1695, 1732, 1789, 1666 and 1656 were read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Solon moved that the name of Mr. Ulland, J. be added as co-author to S. F. No. 1945. The motion prevailed.

Mr. Davies moved that the names of Messrs. Knutson, Spear, Dieterich and Mrs. Brataas be added as co-authors to S. F. No. 2348. The motion prevailed.

### CALENDAR

H. F. No. 1488: A bill for an act relating to St. Louis County; providing authority to negotiate public employees wages; amending Laws 1941, Chapter 423, Section 5, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Kleinbaum	Perpich	Stern
Ashbach	Frederick	Knutson	Peterson	Stokowski
Bang	Gearty	Lessard	Pillsbury	Strand
Barrette	Gunderson	Luther	Renneke	Stumpf
Benedict	Hanson	Menning	Rued	Ueland, A.
Bernhagen	Hughes	Merriam	Schmitz	Ulland, J.
Chmielewski	Humphrey	Moe	Sieloff	Vega
Coleman	Johnson	Nelson	Sillers	Wegener
Davies	Keefe, J.	Nichols	Solon	Willet
Dieterich	Keefe, S.	Olhoft	Spear	
Dunn	Kirchner	Omann	Staples	

So the bill passed and its title was agreed to.

H. F. No. 2110: A bill for an act relating to motor vehicles; authorizing the identification of certain tax exempt vehicles by use

of removable plates or placards; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Kleinbaum	Omann	Spear
Ashbach	Frederick	Knutson	Perpich	Staples
Bang	Gearty	Lessard	Peterson	Stern
Barrette	Gunderson	Luther	Pillsbury	Stokowski
Benedict	Hanson	Menning	Renneke	Strand
Bernhagen	Hughes	Merriam	Rued	Stumpf
Chmielewski	Humphrey	Moe	Schmitz	Ulland, A.
Coleman	Johnson	Nelson	Setzepfandt	Ulland, J.
Davies	Keefe, J.	Nichols	Sieloff	Vega
Dieterich	Keefe, S.	Olhoft	Sillers	Wegener
Dunn	Kirchner	Olson	Solon	Willet

So the bill passed and its title was agreed to.

S. F. No. 1493: A bill for an act relating to elections; providing an exception to the party balance requirement for appointment of town officers as election judges when insufficient names are supplied by political parties for appointment as election judges; amending Minnesota Statutes 1978, Section 204A.17, Subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Peterson	Stokowski
Bang	Gearty	Lessard	Pillsbury	Strand
Barrette	Gunderson	Luther	Renneke	Stumpf
Benedict	Hanson	Menning	Schmitz	Tennessee
Bernhagen	Hughes	Moe	Setzepfandt	Ulland, A.
Chmielewski	Humphrey	Nelson	Sieloff	Vega
Coleman	Johnson	Nichols	Sillers	Wegener
Davies	Keefe, J.	Olhoft	Solon	Willet
Dieterich	Keefe, S.	Olson	Spear	
Dunn	Kirchner	Olman	Staples	
Engler	Kleinbaum	Perpich	Stern	

Messrs. Merriam, Rued and Ulland, J. voted in the negative.

So the bill passed and its title was agreed to.

#### CONSENT CALENDAR

S. F. No. 2045: A bill for an act relating to state lands; providing for the conveyance of certain lands to the city of Owatonna.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Perpich	Staples
Ashbach	Frederick	Lessard	Peterson	Stern
Bang	Gearty	Luther	Pillsbury	Stokowski
Barrette	Gunderson	Menning	Renneke	Strand
Benedict	Hanson	Merriam	Rued	Stumpf
Bernhagen	Hughes	Moe	Schmitz	Tennessee
Brataas	Humphrey	Nelson	Setzepfandt	Ueland, A.
Chmielewski	Johnson	Nichols	Sieloff	Ulland, J.
Coleman	Keefe, J.	Olhoft	Sillers	Vega
Dieterich	Kirchner	Olson	Solon	Wegener
Dunn	Kleinbaum	Omann	Spear	Willet

So the bill passed and its title was agreed to.

Pursuant to Rule 21, Mr. Humphrey moved that the following members be excused for a Conference Committee on S. F. No. 1670 at 12:00 noon: Messrs. Humphrey, Anderson, McCutcheon, Ogdahl and Dieterich. The motion prevailed.

#### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 1837, 1854, 1398, 773 and 1132, which the committee recommends to pass.

S. F. No. 1658, which the committee recommends to pass, subject to the following motions:

Mr. Spear moved to amend S. F. No. 1658 as follows:

Page 2, line 26, after "license" insert "*if the governing body of the municipality authorizes such sale by resolution or ordinance*"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S. F. No. 1658.

The roll was called, and there were yeas 31 and nays 22, as follows:

Those who voted in the affirmative were:

Bang	Humphrey	Nelson	Solon	Ueland, A.
Brataas	Johnson	Nichols	Spear	Ulland, J.
Davies	Keefe, S.	Ogdahl	Staples	Vega
Dieterich	Kleinbaum	Olson	Stern	
Dunn	Luther	Penny	Stokowski	
Gearty	Merriam	Perpich	Stumpf	
Hughes	Moe	Pillsbury	Tennessee	

Those who voted in the negative were:

Ashbach	Engler	Knutson	Renneke	Wegener
Barrette	Frederick	Menning	Rued	Willet
Benedict	Gunderson	Olhoft	Schmitz	
Bernhagen	Keefe, J.	Omman	Setzepfandt	
Chmielewski	Kirchner	Peterson	Sillers	

The motion prevailed. So S. F. No. 1658 was recommended to pass.

S. F. No. 1573, which the committee recommends to pass, subject to the following motion:

Mr. Hughes moved that the McCutcheon amendment to S. F. No. 1573, adopted by the Senate March 6, 1980, be stricken.

The motion prevailed. So the amendment was stricken.

S. F. No. 1322, which the committee recommends to pass with the following amendment offered by Mr. Wegener:

Page 9, line 8, delete "10" and insert "60"

Page 9, line 9, after "*delivery*" insert "*of an application completed in compliance with the municipal ordinance*"

Page 9, line 10, delete "*of a completed application*" and insert a comma

Page 9, line 14, delete "*must,*" and insert "*shall*"

Page 9, lines 14 and 15, delete "*of the date it is presented,*"

Page 11, line 32, delete "*After the effective date of this section, any*" and insert "A"

Page 13, line 5, delete "*or section 17 of this act*"

Page 13, line 6, delete "*fine*" and insert "*penalty*"

Page 13, line 28, delete the comma

Page 13, line 31, delete "*such time as*"

Page 13, line 32, after "*or*" insert "*one year after*"

Page 13, line 33, delete the second comma and insert a period

Page 14, line 1, delete "*provided that*"

Page 14, line 1, delete "*shall*" and insert "*does*"

Page 14, line 1, delete "*be construed to*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1633, which the committee recommends to pass with the following amendments offered by Mr. Ueland, A.:

Mr. Ueland, A. moved to amend S. F. No. 1633 as follows:

Page 5, line 7, after "*at*" insert "*a*"

Page 5, line 8, delete "*homes*" and insert "*home*"

Page 5, line 10, delete "*shall be*" and insert "*is*"

The motion prevailed. So the amendment was adopted.

Mr. Ueland, A. then moved to amend S. F. No. 1633 as follows:

Page 9, line 30, reinstate the stricken language

Page 9, lines 31 and 32, reinstate the stricken language

Page 9, line 33, reinstate the stricken language and delete the new language

Page 10, lines 2 to 5, reinstate the stricken language

The motion prevailed. So the amendment was adopted.

S. F. No. 2094 which the committee reports progress, subject to the following motion:

Mr. Moe moved to amend S. F. No. 2094 as follows:

Page 5, after line 7, insert:

"Sec. 11. Minnesota Statutes 1978, Section 100.27, Subdivision 5, is amended to read:

Subd. 5. Except as otherwise expressly provided, quail, partridges or ruffed grouse, Canada spruce grouse, pheasants, prairie chicken or pinnated grouse, white breasted or sharp tailed grouse, Hungarian partridge, chukar partridge, *sandhill cranes*, or turkeys (*meleagris gallopavo*) may be taken and possessed, subject to all other provisions of chapters 97 to 102, only in the areas of the state and during the times between September 16 and December 31, which the commissioner shall prescribe. The commissioner may by order prescribe an additional period for the taking of turkeys in the spring."

Renumber the sections in sequence

Page 6, line 15, delete "13" and insert "14"

Amend the title as follows:

Page 1, line 10, after the semicolon insert "authorizing a season for taking sandhill cranes;"

Page 1, line 16, after the semicolon insert "100.27, subdivision 5;"

The motion prevailed. So the amendment was adopted.

S. F. No. 2094 was then progressed.

S. F. No. 1641, which the committee recommends to pass with the following amendment offered by Mr. Davies:

Page 2, after line 23, insert:

"Sec. 3. Minnesota Statutes 1978, Section 171.03, is amended to read:

171.03 [PERSONS EXEMPT; ISSUANCE WITHOUT

EXAMINATION.] *Subdivision 1.* The following persons are exempt from license hereunder:

(1) Any person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government;

(2) Any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway;

(3) A nonresident who is at least 15 years of age and who has in his immediate possession a valid driver's license issued to him in his home state or country may operate a motor vehicle in this state only as a driver;

(4) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(5) Any person who becomes a resident of the state of Minnesota and who has in his possession a valid driver's license issued to him under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(6) Any person operating a snowmobile, as defined in section 84.81.

*Subd. 2. Upon application and payment of the prescribed fee, the commissioner may issue a Minnesota driver's license to any person specified in subdivision 1, clause (5), without examination if in the opinion of the commissioner the driver license examination required under the laws of the state or province that issued that person a driver's license are substantially equivalent to the licensing requirements of this state."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing the issuance of a driver's license without examination to certain persons under certain circumstances;"

Page 1, line 7, after "Sections" insert "171.03;"

The motion prevailed. So the amendment was adopted.

S. F. No. 2109, which the committee reports progress, subject to the following motion:

Mr. Kirchner moved to amend S. F. No. 2109 as follows:

Page 1, line 13, delete everything after the bracket

Page 1, line 14, delete "contrary,"

Page 1, line 17, after "highway" insert "only after the proposed project has been reviewed by the proper regional development commission, the commissioner of transportation, or the metropolitan council, as the case may be, for consistency with the long term comprehensive development plans and guides for which that agency is responsible"

The motion prevailed. So the amendment was adopted.

S. F. No. 2109 was then progressed.

S. F. No. 1208, which the committee reports progress, after the following motion.

Mr. Merriam moved to amend S. F. No. 1208 as follows:

Page 3, line 3, after the period insert "If, after January 2, but before April 15, improvements have been added to real property which had been vacant on January 2, or existing improvements have been expanded or otherwise enhanced in value such that the total value of the existing improvements on the property may be reasonably estimated to have been increased by at least 50 percent over their value as of January 2, the owner shall notify the assessor of the addition of the improvements."

Page 7, line 17, after the period insert "The board shall increase the valuation of real property if, after April 14 and prior to July 1, improvements have been added to real property which had been vacant on January 2 or existing improvements have been expanded or otherwise enhanced in value such that the total value of the improvements on the property may be reasonably estimated to have been increased by at least 50 percent over their value as of January 2."

Page 7, line 17, after "reduction" insert "or increase"

Amend the title as follows:

Page 1, line 3, after "property" insert "and property on which improvements have been added or substantially increased in value"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Keefe, S.	Merriam	Schmitz	Wegener
Benedict	Kleinbaum	Nelson	Stern	Willet
Davies	Knoll	Nichols	Stokowski	
Dieterich	Luther	Olhoft	Stumpf	
Gearty	McCutcheon	Peterson	Vega	

Those who voted in the negative were:

Ashbach	Dunn	Keefe, J.	Ogdahl	Ueland, A.
Bang	Gunderson	Kirchner	Omann	Ulland, J.
Barrette	Hanson	Knaak	Rued	
Bernhagen	Jensen	Knutson	Setzepfandt	
Chmielewski	Johnson	Menning	Sillers	

The motion did not prevail. So the amendment was not adopted.

The question was taken on the recommendation to pass S. F. No. 1208.

The roll was called, and there were yeas 25 and nays 31, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Kirchner	Ogdahl	Sieloff
Barrette	Engler	Knaak	Omann	Sillers
Bernhagen	Frederick	Knutson	Pillsbury	Spear
Brataas	Jensen	Menning	Renneke	Ueland, A.
Dieterich	Keefe, J.	Nelson	Rued	Ulland, J.

Those who voted in the negative were:

Benedict	Johnson	Moe	Solon	Vega
Coleman	Keefe, S.	Olhoft	Staples	Wegener
Davies	Kleinbaum	Penny	Stern	Willet
Gearty	Lessard	Perpich	Stokowski	
Gunderson	Luther	Peterson	Strand	
Hughes	McCutcheon	Schmitz	Stumpf	
Humphrey	Merriam	Setzepfandt	Tennessee	

The motion did not prevail. So S. F. No. 1208 was not recommended to pass.

S. F. No. 1208 was then progressed.

S. F. No. 769, which the committee recommends to pass with the following amendment offered by Mr. Barrette:

Page 11, line 33, after "Capable" insert "*with or without correction*"

The motion prevailed. So the amendment was adopted.

S. F. No. 2122, which the committee reports progress, subject to the following motion:

Mrs. Stokowski moved to amend S. F. No. 2122 as follows:

Page 1, line 12, delete "*is entitled*"

Page 1, line 13, delete "*his employer*" and delete "*, to*"

Page 1, line 14, delete "*absent himself from his place of*" and insert "*to the employer, may take time off from*"

Page 1, line 17, delete everything after "*time*"

Page 1, line 18, delete "*employment*" and insert "*taken*"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S. F. No. 2122 as follows:

Page 1, after line 19, insert:

"Sec. 2. [HENNEPIN COUNTY REAPPORTIONMENT COMMISSION.] *In each year ending in the number one, or when required by court order, a reapportionment commission shall be established to draw the boundaries of Hennepin County commissioner districts.*

*The commission shall consist of 11 members who are eligible voters of the county. One member shall be appointed by each member of the county board.*

*The remaining four members shall be appointed by unanimous agreement of the board appointees and shall be impartial in the matter of apportionment.*

*Members of the commission shall be appointed not later than March 15 when the commission is established in a year ending in the number one. The district court shall fill any vacancy caused by failure to appoint a member within the time required by law.*

**Sec. 3. [APPORTIONMENT STANDARDS.]** *The commission shall draw the boundaries of commissioner districts in accordance with the requirements of sections 2 to 16.*

*All districts shall be as equal in population as practicable. Population shall be the controlling factor in drawing the district boundaries.*

*The districts shall be composed of compact and contiguous territory. To the extent consistent with other standards, the boundaries of the districts shall follow the boundaries of local governmental units. No apportionment plan shall be drawn for the purpose of favoring any political party or person.*

**Sec. 4. [APPORTIONMENT PLAN.]** *The commission by a majority vote shall adopt an apportionment plan setting forth all of the districts. The commission, upon adoption of the plan, shall file the plan with the county official responsible for administration of elections.*

*An apportionment plan shall be effective when adopted and filed. The districts set forth in the plan shall govern elections beginning with the first general election after the plan is adopted.*

**Sec. 5. [MEMBERS; QUALIFICATIONS.]** *Subdivision 1. No individual shall be appointed or serve on the commission who:*

*(a) holds or has held within two years prior to appointment an elected or appointed office in federal, state or local government;*

*(b) is or has been within two years prior to appointment an officer of a political party;*

*(c) is an employee of federal, state or local government;*

*(d) is a member of the immediate family of a county commissioner. "Member of the immediate family" means father, mother, son, daughter, brother, sister, spouse, ex-spouse or member of the same household.*

*No individual appointed as a member of the commission shall, while a member of the commission, be a candidate for any elective office.*

*Subd. 2. If the county board or its appointees fail to appoint required members before March 15, the district court shall do so upon the petition of any citizen. Other vacancies shall be*

filled by the appointing authority or, if necessary, the district court.

**Sec. 6. [COMMENCEMENT OF DUTIES; MEETINGS.]**

*Subdivision 1. The commission shall meet not later than April 1 of the year in which it is established. The commission shall elect a presiding officer and other officers as it shall find necessary.*

*Subd. 2. The commission shall meet upon the call of either the presiding officer or a majority of the members of the commission. The proceedings of the commission are open to the public. The commission shall give public notice of its proceedings and shall keep minutes and audio recordings of those proceedings. All materials submitted to or developed by the commission, together with the minutes and audio record of its proceedings shall be preserved and made available for public inspection and copying. The commission may administer oaths to individuals appearing before it.*

*Subd. 3. A majority of the members of the commission is a quorum to conduct business.*

**Sec. 7. [REMOVAL OF COMMISSION MEMBER.]**

*Any member of the commission may be removed from the commission by the district court upon petition filed by any eligible voter. The member may be removed, after a hearing, upon a finding by the court, by a preponderance of the evidence, that a member of the commission during his membership has been convicted of a gross misdemeanor or felony, or that a member is unqualified to serve under the provisions of section 5, or that a member is physically or mentally incapable of serving, or is unwilling to serve. It is prima facie evidence that a member is unwilling to serve if he fails to attend three successive meetings of the commission or fails to attend a total of six meetings of the commission. Upon removal, the position shall be filled in the manner provided for filling vacancies. An individual who is removed from the commission pursuant to this section may not be reappointed to the commission.*

**Sec. 8. [ADMINISTRATIVE SUPPORT.]**

*The presiding officer of the commission shall supervise the staff of the commission. The county board shall make available the personnel, facilities, technical services and other reasonable assistance requested by the commission. The commission shall consult with county staff in the development of a plan to the extent practical. The commission may employ or contract for the services of other staff personnel.*

**Sec. 9. [APPORTIONMENT PLAN.]**

*Subdivision 1. An apportionment plan adopted by the commission shall include:*

*(a) A written description of each district drawn by the commission;*

*(b) A map of each district showing the name and location of each public road and each local governmental unit boundary in the district in a scale that allows precise location of the district boundaries;*

(c) A statement of the deviation in population of each district from the average population of all districts of that kind;

(d) A justification of any population deviation which exceeds one-half of one percent;

(e) An explanation of the standards used by the commission to draw the districts; and

(f) Any other information which the commission deems relevant to the plan.

*Subd. 2. An apportionment plan shall be adopted not later than September 1 of the year in which the commission is established.*

**Sec. 10. [COMPENSATION.]** *Members shall be compensated for their actual and necessary expenses incurred in carrying out their duties on the commission in the same manner and amount as other county employees.*

**Sec. 11. [DISSOLUTION.]** *The commission shall conclude its business and dissolve when it has adopted and filed an apportionment plan or has failed to adopt a plan within the time required by law. The conclusion of business shall include preparation of the official record of the commission and a financial statement disclosing all expenditures made by the commission. The official record shall contain all information developed by the commission pursuant to carrying out its duties including records of public hearings, data collected, minutes and audio recordings of hearings and meetings, and other information of a similar nature. The official record shall be submitted to the county board who shall provide for its preservation.*

**Sec. 12. [PUBLICATION OF REPORT.]** *Subdivision 1. Promptly after the filing of an apportionment plan the official with whom it is filed shall:*

(a) *Prepare and transmit a summary of the plan to each newspaper of general circulation and each radio and television station in the county; and*

(b) *Prepare sufficient copies of the plan and the summary for inspection, copying and purchase by the public.*

*Subd. 2. The summary shall contain:*

(a) *A map showing all the new districts;*

(b) *A statement of the population of each district;*

(c) *A statement of the percentage variation of each district from the average population of other districts of the same kind; and*

(d) *An indication of where a copy of the final report of the commission may be examined or purchased and its purchase price.*

**Sec. 13. [JUDICIAL REVIEW.]** *Subdivision 1. An action to review an apportionment plan adopted by the reapportionment commission shall be commenced by petition to the district court*

*within 30 days of the effective date of the plan. The petition shall set forth the facts and the law on the basis of which petitioner believes the plan does not comply with the provisions of the United States Constitution, the Minnesota Constitution or other provisions of law. A copy of the petition shall be served upon the commission and the county attorney. The court shall hold hearings upon the petition and render its opinion within 60 days of the date that the petition is filed.*

*Subd. 2. If the court determines that the plan does not comply with constitutional or legal requirements, the court shall specify the reasons for its finding and shall adopt its own apportionment plan within 30 days after issuing its opinion. The plan shall be adopted in accordance with the standards and form provided in sections 2 to 16. The court shall hold at least one public hearing before adopting the plan. Upon adoption of the plan the court shall file the plan with the county official responsible for administration of elections.*

*Subd. 3. The decision of the district court and any plan adopted by the court may be reviewed on appeal to the supreme court if the appeal is filed within 30 days after the district court issues its opinion or files its plan. The supreme court shall render its opinion within 60 days after the appeal is filed. If required by its opinion, the court shall adopt and file its own apportionment plan not later than 30 days after issuing its opinion. The plan shall be adopted in accordance with the standards and form provided in sections 2 to 16.*

**Sec. 14. [DUTIES OF COUNTY ATTORNEY.]** *The county attorney shall represent the commission and defend the apportionment plan adopted under sections 2 to 16 in any action to review the plan in state or federal court.*

**Sec. 15.** *Sections 2 to 14 supersede the provisions of Minnesota Statutes, Section 375.025 as applied to Hennepin County, except for the provisions of section 375.025, subdivision 4, relating to election of county commissioners from new districts as provided by the commission.*

**Sec. 16.** *Sections 2 to 15 are effective in Hennepin County."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing for re-districting of Hennepin County commissioner districts;"

Mr. Frederick questioned whether the Luther amendment was germane.

The Chair ruled that the amendment was germane.

Mr. Pillsbury appealed the decision of the Chair.

S. F. No. 2122 was then progressed.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

### REPORTS OF COMMITTEES

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 140: A bill for an act relating to real estate; enacting the uniform condominium act; providing for taxation as a separate parcel; regulating eminent domain awards; regulating the creation of condominiums; protecting the purchasers of condominiums; regulating condominium declaration; regulating the management of condominiums.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### "UNIFORM CONDOMINIUM ACT

#### ARTICLE I

#### GENERAL PROVISIONS

Section 515.1-101 [SHORT TITLE.] Sections 515.1-101 to 515.4-117 shall be known and may be cited as the uniform condominium act.

Sec. 515.1-102. [APPLICABILITY.] (a) Sections 515.1-105 (Separate Titles and Taxation; Homestead), 515.1-106 (Applicability of Local Ordinances, Regulations, and Building Codes), 515.1-107 (Eminent Domain), 515.2-103 (Construction and Validity of Declaration and Bylaws), 515.2-104 (Description of Units), 515.3-102 (1) to (5) and (9) to (12) (Powers of Unit Owners Association), 515.3-111 (Tort and Contract Liability), 515.3-115 (Lien for Assessments), 515.3-116 (Association Records), 515.4-107 (Resales of Units), and 515.1-103 (Definitions) to the extent necessary in construing any of those sections, apply to all condominiums created in this state prior to the effective date of sections 515.1-101 to 515.4-117; provided, however, that these sections apply only with respect to events and circumstances occurring after the effective date of sections 515.1-101 to 515.4-117, and do not invalidate existing provisions of the declaration, bylaws, or floor plans of those condominiums.

(b) Sections 515.1-101 to 515.4-117 apply to all condominiums created within this state after August 1, 1980. The provisions of Minnesota Statutes, Sections 515.01 to 515.29 do not apply to condominiums created after August 1, 1980 and do not invalidate any amendment to the declaration, bylaws, or floor plans of any condominium created before August 1, 1980 if the amendment would be permitted by sections 515.1-101 to 515.4-117. The amendment must be adopted in conformity with the procedures and requirements specified by those instruments and by Minnesota Statutes, Sections 515.01 to 515.29. If the amendment grants to

any person any rights, powers or privileges permitted by sections 515.1-101 to 515.4-117, all correlative obligations, liabilities, and restrictions in sections 515.1-101 to 515.4-117 also apply to that person.

Sec. 515.1-103. [DEFINITIONS.] In the declaration and by-laws, unless specifically provided otherwise or the context otherwise requires, and in sections 515.1-101 to 515.4-117:

(1) "Additional real estate" means real estate that may be added to a flexible condominium.

(2) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant. A person "controls" a declarant if the person (i) is a general partner, officer, director, or employee of the declarant or (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interests of the declarant, or (iii) controls in any manner the election of a majority of the directors of the declarant, or (iv) has contributed more than 20 percent of the capital of the declarant. A person "is controlled by" a declarant if the declarant (i) is a general partner, officer, director, or employee of the person or (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interests of the person, or (iii) controls in any manner the election of a majority of the directors of the person, or (iv) has contributed more than 20 percent of the capital of the person.

(3) "Association" or "unit owners association" means the unit owners association organized under section 515.3-101.

(4) "Common elements" means all portions of a condominium other than the units.

(5) "Common expenses" means expenditures made or liabilities incurred by or on behalf of the association, together with any allocations to reserves.

(6) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 515.2-108.

(7) "Condominium" means real estate, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions. Real estate is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

(8) "Conversion condominium" means a condominium in which a building was at any time before the recording of the declaration wholly or partially occupied by persons other than purchasers and persons who occupied with the consent of the purchasers.

(9) "Declarant" means:

(a) if the condominium has been created, (1) any person who has executed a declaration or an amendment to a declaration to add additional real estate, other than persons holding interests in the real estate solely as security for an obligation, persons whose interests in the real estate will not be conveyed to unit owners, or, in the case of a leasehold condominium, a lessor who possesses no special declarant rights and who is not an affiliate of a declarant who possesses special declarant rights, or (2) any person who succeeds under section 515.3-104 to any special declarant rights; or

(b) any person who has offered prior to creation of a condominium to dispose of his interest in a unit to be created and not previously disposed of.

(10) "Dispose" or "disposition" means a voluntary transfer of any legal or equitable interest in a unit, other than as security for an obligation.

(11) "Flexible condominium" means a condominium to which additional real estate may be added.

(12) "Leasehold condominium" means a condominium in which all of the real estate is subject to a lease, the expiration or termination of which will terminate the condominium.

(13) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 515.2-102(2) or (4) for the exclusive use of one or more but fewer than all of the units.

(14) "Person" means a natural person, corporation, partnership, trust, or other entity, or any combination thereof.

(15) "Purchaser" means any person, other than a declarant, who prior to creation of the condominium enters into a purchase agreement with a declarant or who by means of a voluntary transfer after creation of the condominium holds a legal or equitable interest in a unit, other than (i) a leasehold interest (including renewal options) of less than three years, or (ii) as security for an obligation.

(16) "Real estate" means any leasehold for three years or more or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests which by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" includes parcels with or without upper or lower boundaries.

(17) "Security for an obligation" means the vendor's interest in a contract for deed, mortgagee's interest in a mortgage, purchaser's interest under a sheriff's certificate of sale during the period of redemption, or the holder's interest in a lien.

(18) "Special declarant rights" means rights reserved for the benefit of a declarant to complete improvements indicated on floor plans (section 515.2-110); to add additional real estate to a flexible

condominium (section 515.2-111); to subdivide or convert a unit (section 515.2-115); to maintain sales offices, management offices, signs advertising the condominium, and models (section 515.2-116); to use easements through the common elements for the purpose of making improvements within the condominium or any additional real estate (section 515.2-118); or to appoint or remove any board member during any period of declarant control (section 515.3-103 (a) ).

(19) "Unit" means a portion of the condominium, whether or not contained solely or partially within a building, designated for separate ownership, the boundaries of which are described pursuant to section 515.2-110.

(20) "Unit owner" means a declarant who owns a unit, a person to whom ownership of a unit has been conveyed or transferred, or in a leasehold condominium a lessee of a unit whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the condominium, but does not include a holder of an interest as security for an obligation.

Sec. 515.1-104. [VARIATION BY AGREEMENT.] Except as expressly otherwise provided in sections 515.1-101 to 515.4-117, provisions of sections 515.1-101 to 515.4-117 may not be varied by agreement, and rights conferred by sections 515.1-101 to 515.4-117 may not be waived. A declarant may not act under a power of attorney, or use any other device to evade the limitations or prohibitions of sections 515.1-101 to 515.4-117 or the declaration.

Sec. 515.1-105. [SEPARATE TITLES AND TAXATION; HOMESTEAD.] (a) Each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.

(b) If a declaration is recorded prior to ten days before any installment of real estate taxes becomes payable, the local taxing authority shall split the taxes so payable on the condominium among the units. Interest and penalties which would otherwise accrue shall not begin to accrue until at least 30 days after the split is accomplished.

(c) A unit used for residential purposes together with not more than two units used for vehicular parking and their common element interests shall be treated the same as any other real estate in determining whether homestead exemptions or classifications shall apply.

Sec. 515.1-106 [APPLICABILITY OF LOCAL ORDINANCES, REGULATIONS, AND BUILDING CODES.] (a) Except as provided in subsection (b), a zoning, subdivision, building code, or other real estate use law, ordinance, or regulation may not prohibit the condominium form of ownership or impose any requirement upon a condominium which it would not impose upon a physically identical development under a different form of ownership. Otherwise, no provision of sections 515.1-101 to 515.4-117 invalidates or modifies any provision of any zoning, subdivision, building code, or other real estate use law, ordinance, or regulation.

(b) A statutory or home rule charter city, pursuant to an or-

dinance or charter provision establishing standards to be applied uniformly within its jurisdiction, may prohibit, restrict, or impose conditions upon the conversion of buildings to the condominium form of ownership (1) as a condition to the provision of public financial assistance to preserve or improve buildings containing residential dwellings or to reduce the rents charged to tenants occupying residential dwellings, (2) to prevent a substantial reduction in the supply of rental housing for low and moderate income people, (3) to minimize the adverse effects to the city of displacement caused by the conversion of occupied residential dwellings to the condominium form of ownership, or (4) to establish or maintain the city's eligibility for any federal or state program providing direct or indirect financial assistance to the city.

Any ordinance or charter provision enacted hereunder shall not be effective for a period exceeding one year.

Sec. 515.1-107. [EMINENT DOMAIN.] (a) If a unit is acquired by eminent domain, or if part of a unit is acquired by eminent domain leaving the unit owner with a remnant which may not practically or lawfully be used for any purpose permitted by the declaration, the award shall compensate the unit owner and holders of an interest as security for an obligation in the unit and its common element interest as their interests may appear, whether or not any common element interest is acquired. Upon acquisition, unless the decree otherwise provides, that unit's entire common element interest, votes in the association, and common expense liability are automatically reallocated to the remaining units in proportion to the respective interests, votes, and liabilities of those units prior to the taking, and the association shall promptly prepare, execute, and record an amendment to the declaration reflecting the reallocations. Any remnant of a unit remaining after part of a unit is taken under this subsection is thereafter a common element.

(b) Except as provided in subsection (a), if part of a unit is acquired by eminent domain, the award shall compensate the unit owner and the holders of an interest as security for an obligation as their interests may appear for the reduction in value of the unit and its common element interest. Upon acquisition, unless the apportionment thereof pursuant to the declaration is based upon equality, (1) that unit's common element interest, votes in the association, and common expense liability are reduced in proportion to the reduction in the size of the unit, and (2) the portion of common element interest, votes, and common expense liability divested from the partially acquired unit are automatically reallocated to that unit and the remaining units in proportion to the respective interests, votes, and liabilities of those units prior to the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced interests, votes, and liabilities.

(c) If part of the common elements is acquired by eminent domain, the award shall be paid to the association. The association shall divide any portion of the award not used for any restoration or repair of the remaining common elements among

the unit owners and holders of an interest as security for an obligation as their interests may appear in proportion to their respective interests in the common elements before the taking, but the portion of the award attributable to the acquisition of a limited common element shall be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition, and the respective holders of an interest as security for an obligation of the units as their interests may appear of the units to which that limited common element was allocated at the time of acquisition, or in such other manner as the declaration may provide.

(d) The court decree shall be recorded in every county in which any portion of the condominium is located.

**Sec. 515.1-108. [SUPPLEMENTAL GENERAL PRINCIPLES OF LAW APPLICABLE.]** The principles of law and equity, including the law of corporations, the law of real property and the law relative to capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement the provisions of sections 515.1-101 to 515.4-117, except to the extent inconsistent with sections 515.1-101 to 515.4-117. Documents required by sections 515.1-101 to 515.4-117 to be recorded shall in the case of registered land be filed.

**Sec. 515.1-109. [CONSTRUCTION AGAINST IMPLICIT REPEAL.]** Sections 515.1-101 to 515.4-117 being a general act intended as a unified coverage of its subject matter, no part of it shall be construed to be impliedly repealed by subsequent legislation if that construction can reasonably be avoided.

**Sec. 515.1-110. [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]** Sections 515.1-101 to 515.4-117 shall be applied and construed so as to effectuate its general purpose to make uniform the law with respect to the subject of sections 515.1-101 to 515.4-117 among states enacting it.

**Sec. 515.1-111. [SEVERABILITY.]** If any provision of sections 515.1-101 to 515.4-117 or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of sections 515.1-101 to 515.4-117 which can be given effect without the invalid provisions or application, and to this end the provisions of sections 515.1-101 to 515.4-117 are severable.

**Sec. 515.1-112. [UNCONSCIONABLE AGREEMENT OR TERM OF CONTRACT.]** (a) The court, upon finding as a matter of law that a contract or contract clause to which the declarant or the affiliate of a declarant is a party was unconscionable at the time the contract was made, may refuse to enforce the contract, enforce the remainder of the contract without the unconscionable clause, or limit the application of any unconscionable clause in order to avoid an unconscionable result.

(b) Whenever it is claimed, or appears to the court that such

a contract or contract clause is or may be unconscionable, the parties, in order to aid the court in making the determination, shall be afforded a reasonable opportunity to present evidence as to:

- (1) the commercial setting of the negotiations;
- (2) whether a party has knowingly taken advantage of the inability of the other party reasonably to protect his interests by reason of physical or mental infirmity, illiteracy, or inability to understand the language of the agreement or similar factors;
- (3) the effect and purpose of the contract or clause; and
- (4) if a sale, any gross disparity, at the time of contracting, between the amount charged for the real estate and the value of the real estate measured by the price at which similar real estate was readily obtainable in similar transactions, but a disparity between the contract price and the value of the real estate measured by the price at which similar real estate was readily obtainable in similar transactions does not, of itself, render the contract unconscionable.

Sec. 515.1-113. [OBLIGATION OF GOOD FAITH.] Every contract or duty governed by sections 515.1-101 to 515.4-117 imposes an obligation of good faith in its performance or enforcement.

Sec. 515.1-114. [REMEDIES TO BE LIBERALLY ADMINISTERED.] (a) The remedies provided by sections 515.1-101 to 515.4-117 shall be liberally administered to the end that the aggrieved party is put in as good a position as though the other party had fully performed, provided that rights of bona fide purchasers shall be protected. However, consequential, special, or punitive damages may not be awarded except as specifically provided in sections 515.1-101 to 515.4-117 or by other rule of law.

(b) Any right or obligation declared by sections 515.1-101 to 515.4-117 is enforceable by judicial proceeding unless the provision declaring it provides otherwise.

Sec. 515.1-115. [NOTICE.] Except as otherwise stated in sections 515.1-101 to 515.4-117 all notices required by sections 515.1-101 to 515.4-117 shall be in writing and shall be effective upon hand delivery or upon mailing if properly addressed with postage prepaid and deposited in the United States mail.

## ARTICLE II

### CREATION, ALTERATION, AND TERMINATION OF CONDOMINIUMS

Sec. 515.2-101. [CREATION OF CONDOMINIUM.] (a) A condominium may be created pursuant to sections 515.1-101 to 515.4-117 only by recording a declaration executed, in the same manner as a deed, by all persons whose interests in the real estate will be conveyed to unit owners, except vendors under contracts for deed, and by every lessor of a lease the expiration or termination

of which will terminate the condominium. The condominium shall not include real estate covered by a lease affecting less than all of the condominiums and the expiration or termination of which will reduce the size of the condominium. The declaration and by-laws shall be recorded in every county in which any portion of the condominium is located. Failure of any party to join in a declaration shall have no effect on the validity of a condominium, provided that after the recording of the declaration the party acknowledges the condominium in a recorded instrument, or the interest of the party is extinguished.

(b) A declaration, or an amendment to a declaration adding units to a condominium, may not be recorded unless all structural components and mechanical systems serving more than one unit of all buildings containing or comprising any units thereby created are substantially completed consistent with the floor plans, as evidenced by a certificate executed by a registered professional engineer or architect and recorded or attached to the floor plans.

(c) No possessory interest in a unit may be conveyed until the unit is substantially completed as evidenced by a recorded certificate of completion executed by a registered professional engineer or architect. For the purpose of this section "substantially completed" means substantially completed consistent with the floor plans. This subsection does not prevent the conveyance prior to substantial completion of all units owned by the declarant to a person who is a transferee of special declarant rights.

(d) The declaration, any amendment or amendments thereof, and every instrument affecting a condominium or any unit shall be entitled to be recorded.

(e) In addition to the records and indexes required to be maintained by the recording officer, the recording officer shall maintain an index or indexes whereby the record of each declaration contains a reference to the record of each conveyance of a unit affected by the declaration.

(f) The recording officer shall upon request assign a number to a condominium to be formed.

(g) The recording officer shall separate the floor plans from the declaration and the floor plans shall be kept by the recording officer in a separate file for each condominium indexed in the same manner as a conveyance entitled to record indicating the number of the condominium.

Sec. 515.2-102. [UNIT BOUNDARIES.] Except as otherwise provided by the declaration:

(1) If walls, floors, or ceilings are designated as boundaries of a unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the unit, and all other portions of the walls, floors, or ceilings are a part of the common elements.

(2) If any chute, flue, duct, pipe, wire, conduit, bearing wall,

bearing column, or any other fixture lies partially within and partially outside of the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element allocated solely to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements.

(3) Subject to the provisions of paragraph (2), all spaces, interior partitions, and other fixtures and improvements within the boundaries of a unit are a part of the unit.

(4) All exterior doors and windows and any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are limited common elements allocated exclusively to that unit.

**Sec. 515.2-103. [CONSTRUCTION AND VALIDITY OF DECLARATION AND BYLAWS.]** (a) All provisions of the declaration and bylaws are severable.

(b) The rule against perpetuities may not be applied to defeat any provision of the declaration or sections 515.1-101 to 515.4-117, or any instrument executed pursuant to the declaration or sections 515.1-101 to 515.4-117.

(c) In the event of a conflict between the provisions of the declaration and the bylaws, the declaration prevails except to the extent that the declaration is inconsistent with sections 515.1-101 to 515.4-117.

**Sec. 515.2-104. [DESCRIPTION OF UNITS.]** After the declaration is recorded, a description of a unit which sets forth the number of the condominium, the county in which the condominium is located, and the identifying number of the unit, is sufficient legal description of that unit and its common element interest whether or not the common element interest is described or referred to therein.

**Sec. 515.2-105. [CONTENTS OF DECLARATION; ALL CONDOMINIUMS.]** The declaration for a condominium shall contain:

(1) the name and number of the condominium, which shall include the word "condominium" or be followed by the words "a condominium";

(2) the name of every county in which any part of the condominium is situated;

(3) a legally sufficient description of the real estate included in the condominium;

(4) a description or delineation of the boundaries of a unit;

(5) the floor plans as required by section 515.2-110;

(6) an allocation to each unit of an undivided interest in the common elements, a portion of the votes in the association, and

a percentage or fraction of the common expenses of the association (section 515.2-108);

(7) a statement of the maximum number of any units which may be created by the subdivision or conversion of units owned by the declarant pursuant to section 515.2-115(c);

(8) an allocation of any limited common elements, as provided in section 515.2-109;

(9) any restrictions on use, occupancy, and alienation of the units;

(10) any other matters the declarant deems appropriate.

Sec. 515.2-106. [CONTENTS OF DECLARATION; FLEXIBLE CONDOMINIUMS.] The declaration for a flexible condominium shall include, in addition to the matters specified in section 515.2-105:

(1) an explicit reservation of any options to add additional real estate;

(2) a statement of any time limit, not exceeding seven years after the recording of the declaration, upon which any option reserved under paragraph (1) will lapse, together with a statement of any circumstances that will terminate the option before the expiration of the time limit. If no time limit is set forth in the declaration, the time limit shall be seven years after the recording of the declaration;

(3) a statement of any limitations on any option reserved under paragraph (1), other than limitations created by or imposed pursuant to law;

(4) legally sufficient descriptions of each portion of additional real estate;

(5) if portions of any additional real estate may be added at different times, a statement to that effect together with a statement fixing the boundaries of those portions and regulating the order in which they may be added or a statement that no assurances are made in those regards;

(6) a statement of (i) the maximum number of units that may be created within any additional real estate and within any portion, the boundaries of which are fixed pursuant to paragraph (5), and (ii) how many of those units will be restricted exclusively to residential use;

(7) a statement that any buildings and units that may be erected upon the additional real estate or a portion thereof will be compatible with the other buildings and units in the condominium in terms of architectural style, quality of construction, principal materials employed in construction, and size, or a statement of any differences with respect to the buildings or units, or a statement that no assurances are made respecting those matters;

(8) a statement that all restrictions in the declaration affecting use, occupancy, and alienation of units will apply to units created in the additional real estate, or a statement of any differentiations that may be made as to those units;

(9) general descriptions of all other improvements and common elements that may be made or created upon or within the additional real estate or each portion thereof;

(10) a statement of the extent to which any assurances made in the declaration regarding additional real estate pursuant to paragraphs (5) to (9) apply in the event any additional real estate is not added to the condominium, or a statement that those assurances do not apply if the real estate is not added to the condominium.

**Sec. 515.2-107. [LEASEHOLD CONDOMINIUMS.]** (a) Any lease the expiration or termination of which may terminate the condominium shall be recorded and the declaration shall include, in addition to the matters specified in section 515.2-105:

(1) the county of recording and recorder's document number for the lease;

(2) the date on which the lease is scheduled to expire;

(3) any right of the unit owners to purchase the lessor's interest in the real estate and the manner whereby those rights may be exercised, or a statement that they do not have those rights;

(4) any right of the unit owners to remove any improvements within a reasonable time after the expiration or termination of the lease, or a statement that they do not have those rights; and

(5) any rights of the unit owners to renew the lease and the conditions of any renewal, or a statement that they do not have those rights.

(b) After the declaration for a leasehold condominium is recorded, neither the lessor nor his successor in interest may terminate the leasehold interest of a unit owner who makes timely payment of his share of the rent which shall be the same portion thereof as that of his common area expense and who otherwise complies so far as practicable with his share of all other covenants which, if violated, would entitle the lessor to terminate the lease. No unit owner's leasehold interest is affected by failure of any other person to pay rent or fulfill any other covenant.

(c) Acquisition of the leasehold interest of any unit owner by the lessor does not merge the leasehold and fee simple interests and the lessor shall hold the title to the unit subject to the declaration unless the leasehold interests of all unit owners subject to the lease are so acquired.

**Sec. 515.2-108. [ALLOCATION OF COMMON ELEMENT INTERESTS, VOTES, AND COMMON EXPENSE LIABILITIES.]** (a) The declaration shall allocate a fraction or percentage of the undivided interests in the common elements, common expenses and votes in the association to each unit in such manner

that each of the items is equally allocated or is allocated according to the proportion of the area or volume of each unit to the area or volume of all units, and the items need not be allocated the same for all purposes. The declaration may provide that a portion of each common expense assessment may be allocated on the basis of equality and the remainder on the basis of area or volume of each unit. The sum of the percentages or fractions shall equal 100 percent or 1.

(b) Except in the case of eminent domain (section 515.1-107), expansion of a flexible condominium (section 515.2-111), relocation of boundaries between adjoining units (section 515.2-114), or subdivision of units (section 515.2-115), the common element interest, votes and common expense liability allocated to any unit may not be altered, except as an amendment to the declaration which is signed by all unit owners and first mortgagees, and which complies with section 515.2-119. The common elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the common elements without the unit to which the interest is allocated is void.

(c) The association may assess certain common expenses against fewer than all units pursuant to section 515.3-111.

**Sec. 515.2-109. [COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.]** Common elements other than limited common elements may be used in common with all unit owners. Except for the limited common elements described in section 515.2-102(2) and (4), the declaration shall specify to which unit each limited common element is allocated.

**Sec. 515.2-110. [FLOOR PLANS.]** (a) Floor plans are a part of the declaration. The floor plans shall contain a certification by a registered professional engineer, surveyor or architect that the floor plans accurately depict all information required by this section.

(b) Each floor plan shall show:

(1) the number of the condominium, and the boundaries and dimensions of the land included in the condominium;

(2) the dimensions and location of all existing structural improvements and roadways;

(3) the intended location and dimensions of any contemplated common element improvements to be constructed within the condominium labeled either "MUST BE BUILT" or "NEED NOT BE BUILT";

(4) the location and dimensions of any additional real estate, labeled as such;

(5) the extent of any encroachments by or upon any portion of the condominium;

(6) the location and dimensions of all recorded easements within the condominium serving or burdening any portion of the condominium;

(7) the distance between noncontiguous parcels of real estate;

(8) the location and dimensions of limited common elements, including porches, balconies and patios, other than limited common elements described in section 515.2-102(2) and (4);

(9) the location and dimensions of the vertical boundaries of each unit, and that unit's identifying number;

(10) the location and dimensions of the horizontal unit boundaries with reference to established or assumed datum, and that unit's identifying number;

(11) any units which may be converted by the declarant to create additional units or common elements (section 515.2-115) identified separately.

(c) When adding additional real estate (section 515.2-111), the declarant shall record supplemental floor plans for that real estate conforming to the requirements of subsection (b). If less than all additional real estate is being added, the supplemental floor plans shall also show the location and dimensions of the remaining portion.

(d) If a declarant subdivides or converts any units into two or more units, common elements or limited common elements (section 515.2-115), he shall record an amendment to the floor plans showing the location and dimensions of any new units, common elements and limited common elements thus created.

Sec. 515.2-111. [EXPANSION OF FLEXIBLE CONDOMINIUMS.] (a) To add additional real estate pursuant to an option reserved under section 515.2-106(1), all persons having an interest in the additional real estate, excepting any holder of an easement or any holder of an interest to secure an obligation which interest was recorded or created subsequent to the recording of the declaration, shall prepare and execute and, after notice as provided in subsection (b), record an amendment to the declaration. The amendment to the declaration shall assign an identifying number to each unit formed in the additional real estate, and reallocate common element interests, votes in the association, and common expense liabilities according to section 515.2-108. The amendment shall describe or delineate any limited common elements formed out of the additional real estate, showing or designating the unit to which each is allocated to the extent required by section 515.2-109 (Limited Common Elements).

(b) The declarant shall serve notice of his intention to add additional real estate as follows:

(1) To the association in the same manner as service of summons in a civil action in district court at least 30 days prior to recording the amendment. The amendment shall be attached to the notice and shall not thereafter be changed so as to materially affect the rights of unit owners.

(2) To the occupants of each unit by notice given in the manner provided in section 515.1-116 not less than 20 days prior to recording the amendment addressed to "Occupant Entitled to Legal Notice" at each unit. Attached to the notice shall be a statement that the amendment has been served on the association.

(3) Proof of service upon the association and the occupants shall be attached to the recorded amendment.

**Sec. 515.2-11. [RESERVED.]**

**Sec. 515.2-113. [ALTERATIONS OF UNITS.]** Subject to the provisions of the declaration and other provisions of law, a unit owner:

(1) may make any improvements or alterations to his unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the condominium;

(2) after acquiring an adjoining unit or an adjoining part of an adjoining unit, may with consent of the association and first mortgagees of the affected units, remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a common element, if those acts do not impair the structural integrity or mechanical system or lessen the support of any portion of the condominium. The adjoining unit owners shall have the exclusive license to use the space occupied by the common elements, but the use shall not create an easement or vested right. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries. The association may reasonably require that the owner or owners of units affected replace or restore any such partition.

**Sec. 515.2-114. [RELOCATION OF BOUNDARIES BETWEEN ADJOINING UNITS.]** (a) Subject to the provisions of the declaration and other provisions of law, the boundaries between adjoining units may be relocated by an amendment to the declaration upon application to the association by the owners of those units. The owners of the adjoining units shall specify the proposed reallocation between their units of their common element interests, votes in the association, and common expense liabilities in the application and in accord with section 515.2-108. Unless the board of directors determines within 60 days after receipt of the application by the association that the proposed amendment is not in the best interests of the condominium, the unit owners shall prepare an amendment which shall identify the units involved, state the reallocation, be executed by those unit owners and by any holder of an interest as security for an obligation, contain words of conveyance between them, contain written consent of the association, and upon recordation be indexed in the name of the grantor and the grantee. The amendment shall include an amended floor plan to show the altered boundaries between the adjoining units and their dimensions and identifying numbers. If a holder of an interest as security for an obligation joins in the amendment pursuant to this section, the extent of the interest and the remedies shall be deemed to

be modified as provided in the amendment. The association shall incur no liability to any party by reason of performing those acts enumerated in this section.

(b) The association may require the owners of the affected units to build a boundary wall and other common elements between the units.

(c) The applicant shall deliver a certified copy of the amendment to the association.

Sec. 515.2-115. [SUBDIVISION OR CONVERSION OF UNITS.] (a) If the declaration expressly so permits, (i) a unit may be subdivided into two or more units, or, (ii) if owned by a declarant, a unit may be subdivided or converted into two or more units, limited common elements, common elements, or a combination of units, limited common elements and common elements. Subject to the provisions of the declaration and other provisions of law, the unit owner shall prepare and execute an amendment to the declaration, including the floor plans, subdividing or converting that unit. The amendment to the declaration shall be executed by the unit owner and any holder of an interest as security for an obligation of the unit to be subdivided or converted, assign an identifying number to each unit created, and reallocate the common element interest, votes in the association, and common expense liability formerly allocated to the subdivided unit to the units in accord with section 515.2-108.

(b) The unit owner shall deliver a certified copy of the recorded amendment to the association.

(c) In the case of a unit owned by a declarant, if a declarant converts part or all of a unit to common elements, the amendment to the declaration shall reallocate among the other units the common element interest, votes in the association, and common expense liability formerly allocated to the converted unit or portion thereof on the same basis used for the initial allocation thereof.

(d) If a holder of an interest as security for an obligation joins in the amendment pursuant to this section, the interest and remedies shall be deemed to apply to the units and the common element interests that result from the subdivision or conversion under this section. In the event of enforcement of any remedy, including foreclosure by advertisement, all instruments and notices shall describe the subject property in terms of the amended description.

Sec. 515.2-116. [MINOR VARIATION IN BOUNDARIES.] The existing physical boundaries of a unit or of a unit reconstructed in substantial accordance with the floor plans are conclusively presumed to be its boundaries regardless of settling or lateral movement of the building.

Sec. 515.2-117. [USE FOR SALES PURPOSES.] If the declaration so provides and specifies the rights of a declarant with regard

to their number, size, location and relocation, a declarant may maintain sales offices, management offices, and models in the condominium. Any sales office, management office, or model not designated a unit by the declaration is a common element, and if a declarant ceases to be a unit owner, he ceases to have any rights with regard thereto unless it is removed promptly from the condominium in accordance with a right to remove reserved in the declaration. Subject to any limitations in the declaration, a declarant may maintain signs on the common elements advertising the condominium.

**Sec. 515.2-118. [EASEMENT TO FACILITATE COMPLETION, CONVERSION, AND EXPANSION.]** Subject to the provisions of the declaration, a declarant has an easement through the common elements as may be reasonably necessary for the purpose of discharging a declarant's obligations or exercising special declarant rights, whether arising under sections 515.1-101 to 515.4-117 or reserved in the declaration.

**Sec. 515.2-119. [AMENDMENT OF DECLARATION.]** (a) Except in cases of amendments which may be executed by a declarant under sections 515.2-110(c) and (d), 515.2-111(a); the association under section 515.1-107(a); or certain unit owners under sections 515.2-114, 515.2-115, or 515.2-129(b), and except as limited by subsection (d), the declaration may be amended by the association only by a vote or written agreement of unit owners to which at least 67 percent of the votes in the association are allocated, and 67 percent of the first mortgagees of the units (each mortgagee having one vote per unit financed) or any larger or smaller majority the declaration specifies. The declaration may specify any percentage if all of the units are restricted exclusively to nonresidential use.

(b) Every amendment to the declaration shall be recorded in every county in which any portion of the condominium is located, and is effective only when recorded.

(c) Except to the extent expressly permitted or required by other provisions of sections 515.1-101 to 515.4-117, no amendment may create or increase special declarant rights, increase the number of units, convert common elements to limited common elements, or change the boundaries of any unit, the common element interest, common expense liability, or voting strength in the association allocated to a unit, or the uses to which any unit is restricted, without the written agreement of at least 80 percent of the holders of an interest as security for an obligation and the absence of any written objection by any unit owner.

(d) Limited common elements shall not be altered without the written agreement of the unit owners and holders of an interest to secure an obligation of the units to which the limited common elements are allocated.

(e) An affidavit of the secretary of the association stating that the votes or agreements required by this section have occurred, shall be attached to the amendment and shall constitute prima facie evidence of the representations contained therein.

**Sec. 515.2-120. [TERMINATION OF CONDOMINIUM.] (a)** Except in the case of a taking of all the units by eminent domain (section 515.1-107), a condominium may be terminated only by agreement of unit owners of units to which at least 80 percent of the votes in the association are allocated, and 80 percent of the first mortgagees of the units (each mortgagee having one vote per unit financed), or any larger percentage the declaration specifies. The declaration may specify a smaller percentage only if all of the units in the condominium are restricted exclusively to nonresidential uses.

(b) An agreement of unit owners and mortgagees to terminate a condominium must be evidenced by their execution of a termination agreement or ratification thereof. If, pursuant to a termination agreement, the real estate constituting the condominium is to be sold following termination, the termination agreement shall set forth the terms of the sale. A termination agreement and all ratifications thereof shall be effective upon recording in every county in which a portion of the condominium is situated.

(c) If the termination agreement provides that the real estate constituting the condominium is to be sold following termination, title to that real estate, upon termination, vests in the association as trustee for the holders of all interests in the units. The association as trustee thereafter has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds thereof distributed, the association continues in existence with all powers and responsibilities it had before termination whether under the declaration or otherwise. Unless the termination agreement otherwise provides, proceeds of the sale shall be paid to the association as trustee and shall be distributed to the unit owners and holders of an interest as security for an obligation as their interests may appear and according to the priority enjoyed prior to termination in proportion to the respective interests of unit owners as provided in subsection (f). Any interest as security for an obligation formerly affecting a unit shall constitute a claim against the proceeds in the amount existing at the time of termination plus interest and other amounts accrued until distribution. Except as otherwise specified in the termination agreement, as long as the association as trustee holds title to the real estate, each unit owner and his successors in interest have the right to use the real estate that formerly constituted the common elements and have an exclusive right to occupancy of the portion of the real estate that formerly constituted his unit and limited common elements. During the period of such occupancy, each unit owner and his successors in interest remain liable for all assessments and other obligations imposed on unit owners by sections 515.1-101 to 515.4-117, the declaration, or the termination agreement.

(d) If the real estate constituting the condominium is not to be sold following termination, title to the real estate, upon termination, vests in the unit owners as tenants in common in proportion to their respective interests as provided in subsection (f). Any interests held as security for an obligation and the respective

instruments formerly affecting a unit shall be deemed to be an interest affecting the resulting undivided interest in the same manner as they formerly affected the unit. As long as the tenancy in common exists, each unit owner and his successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted his unit and limited common elements. Unless the termination agreement otherwise provides during the period of tenancy in common, the cotenants and the association shall have the rights and obligations under sections 515.1-101 to 515.4-117, the declaration and bylaws and the termination agreement.

(e) Following termination of the condominium, and after payment of or provision for the claims of the association's creditors, the assets of the association shall be distributed to unit owners and holders of an interest as security for an obligation in proportion to their respective interests as provided in subsection (f). The proceeds of sale described in subsection (c) and held by the association as trustee are not assets of the association.

(f) The respective interests of unit owners referred to in subsections (c), (d), and (e) are as follows:

(1) except as provided in paragraph (2), the respective interests of unit owners are the fair market values of their units, limited common elements, and common element interests immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers shall be delivered in the manner provided in section 515.1-116 addressed to "Occupant Entitled to Legal Notice" at each unit and the first mortgagee of each unit at its last known address and becomes final unless disproved within 30 days after delivery by unit owners of units to which 25 percent of the votes in the association are allocated or by 25 percent of the first mortgagees, each mortgagee having one vote per unit financed. The proportion of any unit owner's interest to that of all unit owners is determined by dividing the fair market value of his interest by the total fair market value of the interests of all unit owners.

(2) if any unit is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made and there is not satisfactory evidence to afford such an appraisal, the interests of all unit owners are their respective common element interests immediately before the termination.

Sec. 515.2-121. [RIGHTS OF HOLDERS OF AN INTEREST AS SECURITY FOR AN OBLIGATION.] (a) Nothing in sections 515.1-101 to 515.4-117 unless expressly stated diminishes the rights of holders of an interest as security for an obligation or prevents the declaration from requiring that all or a specified number or percentage of holders of an interest as security for an obligation affecting the units approve specified actions of the unit owners or the association as a condition to the effectiveness of those actions, but no requirement for approval may operate to (1) deny or delegate control over the general ad-

ministrative affairs of the association by the unit owners, or (2) prevent the association from commencing, intervening in or settling any litigation or proceeding, or receiving and distributing any insurance proceeds pursuant to section 515.3-109.

(b) Foreclosure or enforcement of an interest as security for an obligation against the entire condominium does not of itself terminate the condominium. Foreclosure or enforcement of an interest as security for an obligation against a portion of the condominium without redemption withdraws that portion from the condominium unless (i) the interest is recorded subsequent to the recording of the declaration or is otherwise subordinate to the declaration, or (ii) the holder or his predecessor has issued a release or deed for a unit.

### ARTICLE III

#### MANAGEMENT OF THE CONDOMINIUM

**Section 515.3-101. [ORGANIZATION OF UNIT OWNERS ASSOCIATION.]** A unit owners association shall be organized no later than the date the condominium is created. The membership of the association at all times shall consist exclusively of all the unit owners or, following termination of the condominium, of all former unit owners entitled to distributions of proceeds under section 515.2-120, or their heirs, successors, or assigns. The association shall be organized as a profit or nonprofit corporation.

**Sec. 515.3-102. [POWERS OF UNIT OWNERS ASSOCIATION.]** (a) Unless limited by the provisions of the declaration, the association may:

- (1) adopt and amend rules and regulations;
- (2) adopt and amend budgets for revenues, expenditures, and reserves and collect assessments for common expenses from unit owners;
- (3) hire and terminate managing agents and other employees, agents, and independent contractors;
- (4) institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;
- (5) regulate the use, maintenance, repair, replacement and modification of common elements;
- (6) cause improvements to be made as a part of the common elements;
- (7) grant leases, licenses, and concessions not to exceed one year and utility easements through or over the common elements; provided, however, that after conveyance to owners other than the declarant or affiliate of a declarant of units to which more than 50 percent of the voting power is allocated, the association may by resolution of a meeting of the members duly called grant leases, licenses, and concessions in excess of one year and easements through or over the common elements;

(8) impose and receive any payments, fees, or charges for the use, rental, or operation of the common elements other than limited common elements described in section 515.2-102(2) and (4);

(9) impose reasonable charges including reasonable costs and attorneys' fees, for the evaluation, preparation and recordation of amendments to the declaration, resale certificates required by section 515.4-107, or statements of unpaid assessments;

(10) provide for the indemnification of its officers and board and maintain directors' and officers' liability insurance;

(11) impose charges for late payment of assessments and, after notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association;

(12) exercise any other powers conferred by state law, the declaration, or bylaws.

(b) Notwithstanding subsection (a), the declaration may not impose limitations on the power of the association to deal with the declarant that are more restrictive than the limitations imposed on the power of the association to deal with other persons.

Sec. 515.3-103. [BOARD OF DIRECTORS, MEMBERS AND OFFICERS.] (a) The declaration may provide for a period of declarant control of the association, during which period a declarant, or persons designated by him, may elect the members of the board of directors. Any period of declarant control extends from the date of the first conveyance of a unit to a unit owner other than a declarant for a period not exceeding five years in the case of a flexible condominium or three years in the case of any other condominium. Regardless of the period provided in the declaration, a period of declarant control terminates upon surrender of control by the declarant or no later than 60 days after conveyance of 75 percent of the units to unit owners other than a declarant.

(b) Not later than 60 days after conveyance of 50 percent of the units to unit owners other than a declarant not less than 33 $\frac{1}{3}$  percent of all of the members of the board of directors shall be elected by unit owners other than the declarant.

(c) Not later than the termination of the period of declarant control and thereafter the unit owners shall elect a board of directors of at least three members, at least a majority of whom shall be unit owners or the individual nominees of unit owners other than individuals. The board of directors shall elect the officers. The persons elected shall take office upon election.

(d) In determining whether the period of declarant control has terminated under subsection (a), or whether unit owners other than a declarant are entitled to elect members of the board of directors under subsection (b), the percentage of the units which has been conveyed is presumed to be that percentage which would have been conveyed if all the units which the declarant has built

or reserved the right to build in the declaration were included in the condominium.

**Sec. 515.3-104. [TRANSFER OF SPECIAL DECLARANT RIGHTS.]** (a) No special declarant rights (section 515.1-103(18)) created or reserved under sections 515.1-101 to 515.4-117 may be transferred except by an instrument evidencing the transfer recorded in every county where any portion of the condominium is located. The instrument shall be recordable and is not effective unless executed by the transferor and transferee. If additional real estate is transferred by the declarant, the transferee shall be deemed to receive all special declarant rights with respect thereto and shall be subject to any obligations imposed by the declaration respecting the additional real estate so transferred.

(b) Upon transfer of any special declarant right, the liability of a transferor declarant is as follows:

(1) a transferor is not relieved of any obligation or liability which arose before the transfer, and remains liable for warranty obligations imposed on him by sections 515.1-101 to 515.4-117. Lack of privity does not deprive any unit owner of standing to bring an action to enforce any obligation of the transferor;

(2) if a transferor retains any special declarant right, or if a successor to any special declarant right is an affiliate of a declarant (section 515.1-103(2)), the transferor is subject to liability for all obligations and liabilities imposed on a declarant by sections 515.1-101 to 515.4-117 or by the declaration arising after the transfer and is jointly and severally liable with the successor for the liabilities and obligations of the successor which relate to the condominium; and

(3) a transferor who retains no special declarant right has no liability for any act or omission or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not an affiliate of the transferor.

(c) In case of foreclosure of a mortgage or cancellation of a contract for deed or sale under the bankruptcy act or receivership proceeding or the foreclosure of any other lien against any unit owned by a declarant in the condominium, a person first acquiring title to all the units being cancelled, foreclosed or sold, succeeds to all then existing special declarant rights except the special declarant rights with respect to additional real estate, unless the mortgage or other instrument or proceeding also covers additional real estate.

(d) The liabilities and obligations of persons who succeed to special declarant rights are as follows:

(1) A successor to any special declarant right who is an affiliate of a declarant is subject to all the obligations and liabilities imposed on any declarant by sections 515.1-101 to 515.4-117 or by the declaration.

(2) A successor to any special declarant right, other than a

successor described in paragraphs (3) or (4) of this subsection, who is not an affiliate of a declarant, is subject to all obligations and liabilities imposed on a declarant by sections 515.1-101 to 515.4-117 or the declaration, except that he is not subject to liability for misrepresentations or warranty obligations on improvements made by any previous declarant, or made before the condominium was created, or for a breach of fiduciary obligation by any previous declarant.

(3) A successor to only a right reserved in the declaration to maintain models, sales offices, and signs (section 515.2-117), if he is not an affiliate of a declarant, may not exercise any other special declarant right, and is not subject to any liability or obligation as a declarant, except the obligation to provide a disclosure statement and any liability arising as a result thereof.

(4) A successor to all special declarant rights, who is not an affiliate of a declarant and who succeeded to those rights pursuant to a deed in lieu of foreclosure or by reason of subsection (c), may declare his intention in a recorded instrument to hold those rights solely for transfer to another person. Thereafter, until transferring all special declarant rights to any person acquiring title to any unit owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than the right to control the board of directors in accordance with the provisions of section 515.3-103 for the duration of any period of declarant control, and any attempted exercise of those rights is void. So long as any successor declarant may not exercise special declarant rights under this subsection, he is not subject to any liability or obligation as a declarant other than liability for his acts and omissions under section 515.3-103.

(e) Nothing in this section subjects any successor to a special declarant right to any claims against or other obligations of a transferor declarant, other than claims and obligations arising under sections 515.1-101 to 515.4-117 or the declaration.

**Sec. 515.3-105. [TERMINATION OF CONTRACTS AND LEASES OF DECLARANT.]** If entered into prior to expiration of the period of declarant control pursuant to section 515.3-103, (1) any management contract, employment contract, or lease of recreational or parking areas or facilities, (2) any other contract or lease binding the association or any unit owner other than the declarant or an affiliate of the declarant to which a declarant or an affiliate of a declarant is a party, or (3) any contract or lease binding the association or any unit owner other than the declarant or an affiliate of the declarant which is not bona fide or which was unconscionable to the unit owners at the time entered into under the circumstances then prevailing, may be terminated without penalty by the association at any time after the expiration of declarant control upon not less than 90 days notice to the other party. This section does not apply to any lease the termination of which would terminate the condominium.

**Sec. 515.3-106. [BYLAWS.]** The bylaws and any amendments thereto must be recorded to be effective and shall provide:

(a) The meeting of the members shall be held at least once each year and shall specify an officer who shall, at least 21 days in advance of any annual or regularly scheduled meeting and at least seven days in advance of any other meeting, send to each unit owner notice of the time, place and complete agenda of the meeting. The notice shall be given to all unit owners at the address of the respective units and to other addresses as any of them may have designated to the officer.

(b) No vote in the association of unit owners shall be deemed to inure to any unit during the time when the unit owner is the association.

(c) For a mechanism to resolve disputes regarding voting among more than one unit owner of a unit in such a way that the vote allocated to the unit is not split or otherwise cast separately by the several unit owners.

(d) An annual report be prepared by the association and a copy of the report be provided to each unit owner and the report contain a minimum of the following:

(1) A statement of any capital expenditures in excess of two percent of the current budget or \$5,000 whichever is the greater anticipated by the association during the current year or succeeding two fiscal years.

(2) A statement of the status and amount of any reserve or replacement fund and portion of the fund designated for any specified project by the board of directors.

(3) A copy of the statement of financial condition for the association for the last fiscal year.

(4) A statement of the status of any pending suits or judgments to which the association is a party.

(5) A statement of the insurance coverage provided by the association.

(6) A statement of any unpaid assessments by the association on individual units identifying the unit number and the amount of the unpaid assessment.

Sec. 515.3-107. [UPKEEP OF THE CONDOMINIUM.] Except to the extent otherwise provided by the declaration or section 515.3-112(d), the association is responsible for maintenance, repair, and replacement of the common elements and each unit owner is responsible for maintenance, repair, and replacement of his unit. Each unit owner shall afford to the association and the other unit owners, and to their agents or employees, access through his unit reasonably necessary for those purposes.

If damage is inflicted on the common elements or any unit through which access is taken, the unit owner responsible for the damage, or the association if it is responsible, is liable for the prompt repair thereof.

Sec. 515.3-108. [RESERVED.]

**Sec. 515.3-109. [RESERVED.]**

**Sec. 515.3-110. [RESERVED].**

**Sec. 515.3-111. [TORT AND CONTRACT LIABILITY.]** (a) If a tort or breach of contract occurred during any period of declarant control (section 515.3-103), the declarant shall indemnify the association for all liability insured by the association as a result of that tort or breach of contract, including legal fees. Any statute of limitation affecting the association's right of action under this section is tolled until the period of declarant control terminates.

(b) No unit owner shall have tort liability arising out of his ownership of the common elements provided that the association has liability insurance coverage on the occurrence in an amount not less than \$1,000,000.

**Sec. 515.3-112. [INSURANCE.]** (a) Commencing not later than the time of the first conveyance of a unit to a unit owner other than a declarant, the association shall maintain, to the extent reasonably available:

(1) Property insurance on the common elements and units, exclusive of land, excavations, foundations, and other items normally excluded from property policies, insuring against all risks of direct physical loss. The total amount of insurance after application of any deductibles shall be not less than 80 percent of the full insurable replacement cost of the insured property. The association or its authorized agent may enter a unit at reasonable times upon reasonable notice for the purpose of making appraisals for insurance purposes.

(2) Comprehensive general liability insurance, in an amount determined by the board of directors but not less than any amount specified in the declaration, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

(b) If the insurance described in subsection (a) is not maintained, the association shall immediately cause notice of that fact to be given to all unit owners at their respective units and other addresses provided to the association. The declaration may require the association to carry any other insurance, and the association in any event may carry any other insurance it deems appropriate to protect the association or the unit owners.

(c) Insurance policies carried pursuant to subsection (a) shall provide that:

(1) Each unit owner and holder of a vendor's interest in a contract for deed is an insured person under the policy with respect to liability arising out of his ownership of an undivided interest in the common elements;

(2) The insurer waives its right to subrogation under the policy against any unit owner of the condominium or members of his household and against the association and members of the board of directors;

(3) No act or omission by any unit owner or holder of an interest as security for an obligation, unless acting within the scope of his authority on behalf of the association, shall void the policy or be a condition to recovery under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the policy is primary insurance not contributing with the other insurance.

(d) Any loss covered by the property policy under subsection (a)(1) shall be adjusted with the association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the association. The insurance trustee or the association shall hold any insurance proceeds in trust for unit owners and holders of an interest as security for an obligation as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged common elements and units, and unit owners and holders of an interest as security for an obligation are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the common elements and units have been completely repaired or restored, or the condominium is terminated.

(e) An insurance policy issued to the association does not prevent a unit owner from obtaining insurance for his own benefit.

(f) An insurer that has issued an insurance policy under this section shall issue certificates or memoranda of insurance, upon request, to any unit owner, or holder of an interest as security for an obligation. The insurance may not be cancelled until 30 days after notice of the proposed cancellation has been mailed to the association and to each unit owner and holder of an interest as security for an obligation to whom certificates of insurance have been issued.

(g) Any portion of the condominium damaged or destroyed shall be promptly repaired or replaced by the association unless (1) the condominium is terminated and the association votes not to repair or replace all or part thereof, (2) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (3) 80 percent of the unit owners, including every owner and first mortgagee of a unit or assigned limited common element which will not be rebuilt, vote not to rebuild. The cost of repair or replacement of a unit or the common area in excess of insurance proceeds and reserves shall be a common expense. If less than the entire condominium is repaired or replaced, (1) the insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium, (2) the insurance proceeds attributable to units and limited common elements which are not rebuilt shall be distributed to the owners of those units and the holders of an interest as security for an obligation of those units and the owners and holders of an interest as security for an obligation of the units to which those limited common elements

were assigned, as their interests may appear and (3) the remainder of the proceeds shall be distributed to all the unit owners and holders of an interest as security for an obligation as their interests may appear in proportion to their common element interest. In the event the unit owners vote not to rebuild a unit, that unit's entire common element interest, votes in the association, and common expense liability are automatically reallocated upon the vote as if the unit had been condemned under section 515.1-107(a), and the association shall promptly prepare, execute and record an amendment to the declaration reflecting the reallocations. Notwithstanding the provisions of this subsection, if the condominium is terminated, insurance proceeds not used for repair or replacement shall be distributed in the same manner as sales proceeds pursuant to section 515.2-120.

(h) The provisions of this section may be varied or waived in the case of a condominium all of the units of which are restricted to nonresidential use.

Sec. 515.3-113. [SURPLUS FUNDS.] Unless otherwise provided in the declaration, any surplus funds of the association remaining after payment of or provision for common expenses and any prepayment of reserves shall be credited to the unit owners to reduce their future common expense assessments.

Sec. 515.3-114. [ASSESSMENTS FOR COMMON EXPENSES.] (a) Until the association levies a common expense assessment, the declarant shall pay all accrued expenses of the condominium. After any assessment has been levied by the association, assessments shall be levied at least annually and shall be based on a budget adopted at least annually by the association.

(b) Except for assessments under subsection (c) and (d), common expenses shall be assessed against all the units in accordance with the common expense liability allocated to each unit (section 515.2-108). Any past due assessment or installment thereof shall bear interest at the rate established by the association not exceeding the rate of interest provided in section 549.09.

(c) Except as provided by the declaration any common expense associated with the maintenance, repair, or replacement of a limited common element shall be assessed against the unit or in equal shares against the units to which that limited common element was assigned at the time the expense was incurred.

(d) If the declaration so provides, the association may assess any common expense benefiting less than all of the units against the units benefited. In that case the common expense shall be allocated among units benefited in proportion to their common expense liability.

Sec. 515.3-115. [LIEN FOR ASSESSMENTS.] (a) The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes payable. The association's lien may be foreclosed as provided by the laws of this state as if it were a lien under a mortgage containing a power of sale. The rights of the parties shall be the same as those provided by

law except that the period of redemption for unit owners shall be six months from the date of sale. Unless the declaration otherwise provides, fees, charges, late charges, and interest charges pursuant to section 515.3-102(8), (9) and (12) are enforceable as assessments under this section.

(b) A lien under this section is prior to all other liens and encumbrances on a unit except (1) liens and encumbrances recorded before the recordation of the declaration, (2) any recorded mortgage on the unit securing a first mortgage holder, and (3) liens for real estate taxes and other governmental assessments or charges against the unit. This subsection does not affect the priority of mechanics' or materialmen's liens.

(c) Recording of the declaration constitutes record notice and perfection of the lien, and no further recordation of any claim of lien for assessment under this section is required.

(d) Proceedings to enforce an assessment must be instituted within three years after the last installment of the assessment becomes payable.

(e) Unit owners at the time an assessment is payable are personally liable to the association for payment of the assessments.

(f) A foreclosure sale, judgment or decree in any action, proceeding or suit brought under this section shall include costs and reasonable attorney's fees for the prevailing party.

(g) The association shall furnish to a unit owner or his authorized agent upon written request of the unit owner or his authorized agent a recordable statement setting forth the amount of unpaid assessments currently levied against his unit. The statement shall be furnished within ten business days after receipt of the request and is binding on the association and every unit owner.

Sec. 515.3-116. [ASSOCIATION RECORDS.] The association shall keep financial records sufficiently detailed to enable the association to comply with section 515.4-107. All financial records shall be made reasonably available for examination by any unit owner and his authorized agents.

Sec. 515.3-117. [ASSOCIATION AS TRUSTEE.] With respect to a third person dealing with the association in the association's capacity as a trustee, the existence of trust powers and their proper exercise by the association may be assumed without inquiry. A third person is not bound to inquire whether the association has power to act as trustee or is properly exercising trust powers and a third person, without actual knowledge that the association is exceeding its powers or improperly exercising them, is fully protected in dealing with the association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the association in its capacity as trustee.

**ARTICLE IV**  
**PROTECTION OF PURCHASERS**

**Section 515.4-101. [APPLICABILITY; WAIVER.]** (a) This article applies to all units subject to sections 515.1-101 to 515.4-117 except as provided in subsection (b) and section 515.4-113 or as modified or waived by agreement of purchasers of units in a condominium in which all units are restricted to nonresidential use.

(b) A disclosure statement need not be prepared in case of:

(1) a gratuitous transfer of a unit;

(2) a disposition pursuant to court order;

(3) a disposition by a government or governmental agency;

(4) a disposition by foreclosure or deed in lieu of foreclosure and subsequent disposition by the purchaser at mortgage foreclosure sale, or grantee in the deed in lieu of foreclosure;

(5) a transfer to which section 515.4-107 (Resales of Units) applies.

**Sec. 515.4-102. [DISCLOSURE STATEMENT; GENERAL PROVISIONS.]** A disclosure statement shall fully disclose:

(a) The name and principal address of the declarant and the address and the name, if any, and number, if available, of the condominium;

(b) A general description of the condominium; including without limitation the types and number of all buildings, units and amenities, and declarant's proposed schedule of commencement and completion of construction thereof;

(c) The total number of additional units that may be included in the condominium;

(d) A copy of the declaration other than the floor plans, floor plans for the particular unit, bylaws, articles of incorporation, rules and regulations, and any contracts and leases to which the unit owners or association will be subject and which may not be cancelled upon 30 days notice by the association;

(e) Any current balance sheet and a projected budget for the association for the first full or partial year during which a unit is conveyed to a unit owner other than a declarant and any projected budget for future years which the association has adopted, and a statement of who prepared the balance sheet, projected budget or budget. The budget or projected budget shall include, without limitation:

(1) a statement of the amount, or a statement that there is no amount, included in the budget as a reserve for repairs and replacement;

(2) a statement of any other reserves;

(3) the projected common expense assessment by category of expenditures for the association;

(4) the projected monthly common expense assessment for each type of unit;

(f) Any supplies and services not reflected in the budget or projected budget which the declarant provides, or expenses which he pays, and which he expects may become at any subsequent time a common expense of the association and the projected common expense assessment attributable to each of those services or expenses for the association and for each type of unit;

(g) Any initial or special fee due from the purchaser to the declarant or the association at closing, together with a description of the purpose and method of calculating the fee;

(h) A description of any liens, defects, or encumbrances on or affecting the title to the condominium after the contemplated conveyance;

(i) A description of any financing offered by the declarant;

(j) The terms of any warranties provided by the declarant, including the warranties set forth in sections 515.4-111 and 515.4-112, and limitations imposed by the declarant on the enforcement thereof;

(k) A statement that:

(1) within 15 days after receipt of a disclosure statement, a purchaser may, prior to conveyance, cancel any purchase agreement of a unit from a declarant;

(2) if a purchaser received the disclosure statement more than 15 days before he signs a purchase agreement, he cannot cancel the agreement;

(l) A statement of any judgments against the association, the status of any pending suits to which the association is a party, and of which the declarant or an affiliate of a declarant has actual knowledge;

(m) A statement that any earnest money paid in connection with the purchase of a unit will be held in an escrow account until closing and will be returned to the purchaser if the purchaser cancels the purchase agreement pursuant to section 515.4-106;

(n) A description of the insurance coverage to be provided for the benefit of unit owners;

(o) Any current or expected fees or charges to be paid by unit owners for the use of the common elements and other facilities related to the condominium; and

(p) Whether financial arrangements have been provided for completion of all improvements labeled "MUST BE BUILT" pursuant to section 515.4-117 (Declarant's Obligation to Complete and Restore).

**Sec. 515.4-103. [RESERVED.]**

**Sec. 515.4-104. [SAME; CONVERSION CONDOMINIUMS.]**  
The disclosure statement of a conversion condominium the units of which may be used for residential purposes shall contain, in addition to the information required by section 515.4-102:

(a) A professional opinion prepared by an architect licensed in this state or registered professional engineer licensed in this state, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the condominium to the extent reasonably ascertainable without disturbing the improvements or dismantling the equipment and without operating equipment during seasons of the year when the equipment is not normally in operation;

(b) A statement by the declarant of the expected useful life of each item reported on in subsection (a) or a statement that no representations are made in this regard;

(c) A list of any outstanding notices of uncured violations of building code or other municipal regulations, which will be outstanding at the time of the first conveyance of a unit, together with the estimated cost of curing those violations.

**Sec. 515.4-105. [RESERVED.]**

**Sec. 515.4-106. [PURCHASER'S RIGHT TO CANCEL.]** (a) Unless delivery of a disclosure statement is not required under section 515.4-101(b), a declarant shall provide at least one of the purchasers of a unit with a copy of a disclosure statement not later than the date of any purchase agreement. Unless a purchaser is given the disclosure statement more than 15 days prior to execution of a purchase agreement for the unit, the purchaser may, prior to the conveyance, cancel the agreement within 15 days after receiving the disclosure statement.

If the conveyance occurs within 15 days after the date of the execution of the purchase agreement by the purchaser, any purchaser may waive in writing all rights to receive a disclosure statement under this section.

(b) If a purchaser elects to cancel a purchase agreement pursuant to subsection (a), he may do so by hand delivering notice thereof to the declarant or by mailing notice thereof by postage prepaid United States mail to the declarant or to his agent for service of process. Cancellation is without penalty, and all payments made by the purchaser pursuant to the purchase agreement shall be refunded promptly.

(c) The disclosure statement and any information furnished in connection therewith may be amended prior to conveyance if the amendment is delivered to the purchaser to whom the disclosure statement was delivered. If the amendment materially adversely affects a purchaser, then the purchaser shall have 15 days after delivery of the amendment to cancel the purchase agreement in accordance with this section.

**Sec. 515.4-107. [RESALES OF UNITS.]** (a) In the event of a resale of a unit by a unit owner other than a declarant, the unit owner shall furnish to a purchaser before execution of any purchase agreement for a unit, or otherwise before conveyance, a copy of the declaration other than the floor plans, the bylaws, the rules and regulations of the association, and any amendments thereto, and a certificate dated not more than 90 days prior to the date of the purchase agreement or otherwise before conveyance, containing:

(1) a statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the declaration, bylaws, rules and regulations, or any amendment thereof;

(2) a statement setting forth the amount of periodic installments of common expense assessments and special assessments and any unpaid common expense or special assessment currently payable;

(3) a statement of any other fees payable by unit owners;

(4) a statement that a copy of the floor plans and any amendments thereof are available in the office of the association for inspection;

(5) the most recent regularly prepared balance sheet and income and expense statement, if any of the association;

(6) the current budget of the association;

(7) a statement of any judgments against the association and the status of any pending suits to which the association is a party;

(8) a statement describing any insurance coverage provided for the benefit of unit owners.

(b) The association shall, within seven days after a request by a unit owner or his authorized agent, furnish a certificate containing the information necessary to enable the unit owner to comply with this section. A unit owner without actual knowledge providing a certificate pursuant to subsection (a) shall have no liability to the purchaser for any erroneous information provided by the association and included in the certificate.

(c) A purchaser is not liable for any unpaid assessment or fee existing as of the date of the certificate greater than the amount set forth in the certificate prepared by the association. A unit owner is not responsible to a purchaser for the failure or delay of the association to provide the certificate in a timely manner.

**Sec. 515.4-1075. [PURCHASER'S RIGHT TO CANCEL.]** (a) The information required to be delivered by section 515.4-107 shall be delivered to a purchaser not later than the date of any purchase agreement. Unless a purchaser is given the information more than 15 days prior to the execution of the purchase agreement for the unit the purchaser may, prior to the conveyance, cancel the agreement within 15 days after receiving the information.

(b) If a purchaser elects to cancel a purchase agreement pursuant to subsection (a), he may do so by hand delivering notice thereof to the seller or his agent or by mailing notice thereof by postage prepaid United States mail to the seller or his agent. Cancellation is without penalty and all payments made by the purchaser shall be refunded promptly.

Sec. 515.4-108. [ESCROW OF DEPOSITS.] Any earnest money paid in connection with the purchase or reservation of a unit from a declarant shall be escrowed and held in this state in an account, savings deposit or certificate of deposit designated solely for that purpose in an institution whose accounts are insured by a governmental agency or instrumentality until (1) delivered to the declarant at closing; (2) delivered to the declarant because of purchaser's default under the purchase agreement or reservation; or (3) delivered to the purchaser.

Sec. 515.4-109. [RELEASE OF INTERESTS AS SECURITY FOR AN OBLIGATION.] (a) Before conveying a unit to a purchaser other than a declarant, the seller shall furnish to the purchaser releases for that unit and its common element interest of all interests as security for an obligation affecting more real estate than that unit and its common element interest, if the purchaser expressly agrees, a policy of title insurance insuring against loss or damage by reason of such interests. Failure to furnish the releases does not of itself invalidate the lien or the conveyance. This subsection does not apply to conveyance of all of the units in the condominium or to deeds in lieu of foreclosure.

(b) Whether perfected before or after creation of the condominium, if a lien other than a mortgage, including a lien attributable to work performed or materials supplied before creation of the condominium, becomes effective against two or more units, the unit owner of such a unit may pay to the lienholder the amount of the lien attributable to his unit, and the lienholder, upon receipt of payment, shall promptly deliver a release of the lien covering that unit and its common element interest. The amount of the payment shall be proportionate to the ratio which that unit owner's common expense liability bears to the common expense liabilities of all unit owners whose units are subject to the lien. After payment, the association may not assess or have a lien against that unit owner's unit for any portion of the common expenses incurred in connection with that lien.

(c) Labor performed or materials furnished for the common elements, if duly authorized by the association, shall be deemed to be performed or furnished with the express consent of each unit owner and shall be the basis for the filing of a lien pursuant to the lien law against each of the units and shall be subject to the provisions of subsection (b) of this section.

Sec. 515.4-110. [CONVERSION CONDOMINIUMS.] (a) A declarant of a conversion condominium shall give each of the tenants and any subtenant in possession of buildings subject to sections 515.1-101 to 515.4-117 notice of the conversion or the intent to convert no later than 180 days before the declarant will require

them to vacate. The notice shall set forth generally the rights conferred by this section and shall have attached thereto a form of purchase agreement setting forth the terms of sale contemplated by subsection (b) and a statement of any significant restrictions on the use and occupancy of the unit to be imposed by the declarant and shall be hand delivered or mailed by postage prepaid United States mail to "The Tenant and Subtenant" at the address of the unit. The notice shall be contained in an envelope upon which the following words shall be boldly printed: "Notice of Condominium Conversion". No tenant or subtenant may be required by the declarant to vacate upon less than 180 days notice, except by reason of nonpayment of rent, waste, or conduct which disturbs other tenants' peaceful enjoyment of the premises, and the terms of the tenancy may not be altered during that period. Failure of a declarant to give notice as required by this section constitutes a defense to an action for possession.

(b) For 60 days after delivery or mailing of the notice described in subsection (a), the holder of the lessee's interest for each unit on the date the notice is delivered or mailed shall have an option to purchase that unit on the terms set forth in the purchase agreement attached to the notice. The purchase agreement shall contain no terms or conditions preventing the purchase of the unit by the holder because of the age of the holder or persons residing with the holder. If the holder fails to exercise the option during that 60 day period, the declarant may not offer to dispose of an interest in that unit during the following 180 days at a price or on terms more favorable to the offeree than the price or terms offered to the holder. This subsection does not apply to any unit in a conversion condominium if that unit will be restricted exclusively to non-residential use or if the boundaries of the converted unit do not substantially conform to the dimensions of the residential unit before conversion.

(c) If a declarant, in violation of subsection (b), conveys a unit to a purchaser for value who has no knowledge of the violation, delivery of the deed conveying the unit extinguishes any right which a holder of a lessee's interest not in possession may have under subsection (b) to purchase that unit, but does not affect the right of the holder to recover damages from the declarant for a violation of subsection (b).

(d) Nothing in this section permits termination of a lease by a declarant in violation of its terms.

Sec. 515.4-111. [EXPRESS WARRANTIES.] (a) Express warranties made by any declarant to a purchaser of a unit if reasonably relied upon by the purchaser, are created as follows:

(1) any affirmation of fact or promise which relates to the unit, its use, or rights appurtenant thereto, area improvements to the condominium that would directly benefit the unit, or the right to use or have the benefit of facilities not located in the condominium, creates an express warranty that the unit and related rights and uses will conform to the affirmation or promise;

(2) any model or description of the physical characteristics of the condominium, including plans and specifications of or for improvements, creates an express warranty that the condominium will conform to the model, or description. A notice prominently displayed on a model or description shall prevent a purchaser from reasonably relying upon the model or description to the extent of disclaimer set forth on the notice;

(3) any description of the quantity or extent of the real estate comprising the condominium, including plats or surveys, creates an express warranty that the condominium will conform to the description, subject to customary tolerance.

(b) Neither formal words, such as "warranty" or "guarantee", nor a specific intention to make a warranty, are necessary to create an express warranty. A statement purporting to be merely an opinion or commendation of the real estate or its value does not create a warranty.

(c) Any conveyance of a unit transfers to the purchaser all express warranties made by a declarant.

Sec. 515.4-112. [IMPLIED WARRANTIES.] (a) A declarant warrants to a purchaser that a unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, reasonable wear and tear excepted.

(b) A declarant warrants to a purchaser that a unit and the common elements in the condominium are structurally suitable for the ordinary uses of real estate of its type and that any improvements or repairs made or contracted for by him or made by any person in contemplation of the creation of the condominium, will be:

(1) free from defective materials; and

(2) constructed in accordance with applicable law, according to sound engineering and construction standards, and in a workmanlike manner.

(c) A declarant warrants to a purchaser of a unit which may be used for residential use that the residential use does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

(d) Warranties imposed by this section may be excluded or modified as specified in section 515.4-113.

(e) For purposes of this section, improvements made or contracted for by an affiliate of a declarant (section 515.1-103(2)) are made or contracted for by the declarant.

(f) Any conveyance of a unit transfers to the purchaser all of any declarant's implied warranties.

Sec. 515.4-113. [EXCLUSION OR MODIFICATION OF IMPLIED WARRANTIES.] (a) Except as limited by subsection (b) implied warranties:

(1) may be excluded or modified by agreement of the parties; and

(2) are excluded by expression of disclaimer, such as "as is", "with all faults", or other language which in common understanding calls the buyer's attention to the exclusion of warranties.

(b) with respect to a purchaser of a unit which may be occupied for residential use, no general disclaimer of implied warranties is effective, but a declarant may disclaim liability in an instrument signed by the purchaser for a specified defect or specified failure to comply with applicable law, if the defect or failure entered into and became a part of the basis of the bargain.

Sec. 515.4-114. [STATUTE OF LIMITATIONS FOR WARRANTIES.] (a) A judicial proceeding for breach of any obligation arising under section 515.4-111 or 515.4-112 must be commenced within six years after the cause of action accrues, but the parties may reduce the period of limitation to not less than two years. With respect to a unit which may be occupied for residential use, an agreement to reduce the period of limitation shall be evidenced by a separate instrument executed by the purchaser.

(b) Subject to subsection (c), a cause of action under section 515.4-111 or 515.4-112, regardless of the purchaser's lack of knowledge of the breach, accrues:

(1) as to a unit, when the purchaser to whom the warranty is first made enters into possession after a conveyance of a possessory interest if a possessory interest is conveyed or otherwise at the time of acceptance of the instrument of conveyance if a nonpossessory interest was conveyed; and

(2) as to each common element, the later of (i) the time the common element is completed, (ii) the time the first unit in the condominium is conveyed to a bona fide purchaser, or (iii) as to a common element within any additional real estate or portion thereof the time the first unit therein is conveyed to a bona fide purchaser.

(c) If a warranty under section 515.4-111 or 515.4-112 explicitly extends to future performance or duration of any improvement or component of the condominium, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

Sec. 515.4-115. [EFFECT OF VIOLATIONS ON RIGHTS OF ACTION; ATTORNEYS' FEES.] If a declarant or any other person subject to sections 515.1-101 to 515.4-117 violates any provision thereof or any provision of the declaration or bylaws, any person or class of persons adversely affected by the violation has a claim for appropriate relief. Punitive damages may be awarded in the case of a willful violation of sections 515.1-101 to 515.4-117. The court, in an appropriate case, may award reasonable attorneys' fees.

Sec. 515.4-116. [LABELING OF PROMOTIONAL MATERIAL.] If any improvement contemplated in a condominium is re-

quired by section 515.2-110(b) (3) to be labeled "NEED NOT BE BUILT" on the floor plan, no promotional material may be displayed or delivered to prospective purchasers which describes or depicts that improvement unless the description or depiction of the improvement is conspicuously labeled or identified as "NEED NOT BE BUILT".

Sec. 515.4-117. [DECLARANT'S OBLIGATION TO COMPLETE AND RESTORE.] (a) The declarant shall complete all improvements labeled "MUST BE BUILT" on the floor plans prepared pursuant to section 515.2-110.

(b) The declarant is subject to liability for the prompt repair and restoration to a condition compatible with the remainder of the condominium of any portion of the condominium affected by the exercise of rights reserved pursuant to or created by sections 515.2-111, 515.2-117, and 515.2-118."

And when so amended the bill do pass.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Amendments adopted. Report adopted.

Without objection, the Senate reverted to the Order of Business of Second Reading of Senate Bills.

#### SECOND READING OF SENATE BILLS

S. F. No. 140 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

#### MOTIONS AND RESOLUTIONS

Mr. Strand moved that his name be added as co-author to S. F. No. 2231. The motion prevailed.

Mr. Davies moved that S. F. No. 2203 and the committee report thereon be taken from the table. The motion prevailed.

Mr. Davies moved that the foregoing committee report be now adopted. The motion prevailed. Report adopted.

Mr. Davies moved that S. F. No. 2203 be re-referred to the Committee on Judiciary. The motion prevailed.

#### RECONSIDERATION

Mr. Olhoft moved that the vote whereby S. F. No. 1732 failed to pass the Senate on March 12, 1980, be now reconsidered. The motion prevailed.

Mr. Olhoft moved that S. F. No. 1732, on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 12:00 o'clock noon, Friday, March 14, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## SEVENTY-NINTH DAY

St. Paul, Minnesota, Friday, March 14, 1960

The Senate met at 12:00 o'clock noon and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Gearty	Menning	Renneke	Stokowski
Barrette	Gunderson	Merriam	Rued	Stumpf
Benedict	Hughes	Moe	Schaaf	Ueland, A.
Bernhagen	Humphrey	Nelson	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Ogdahl	Setzepfandt	Vega
Coleman	Keefe, S.	Omann	Sieloff	Willet
Dunn	Kirchner	Perpich	Sillers	
Engler	Kleinbaum	Pillsbury	Solon	
Frederick	Luther	Purfeerst	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. David Rebeck.

The roll was called, and the following Senators answered to their names:

Ashbach	Frederick	Knutson	Perpich	Staples
Bang	Gearty	Laufenburger	Pillsbury	Stern
Barrette	Gunderson	Luther	Purfeerst	Stokowski
Benedict	Hughes	Menning	Renneke	Strand
Bernhagen	Humphrey	Merriam	Rued	Stumpf
Brataas	Johnson	Moe	Schaaf	Tennessee
Chmielewski	Keefe, J.	Nelson	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Davies	Kirchner	Ogdahl	Sieloff	Vega
Dieterich	Kleinbaum	Olhoft	Sillers	Wegener
Dunn	Knaak	Omann	Solon	Willet
Engler	Knoll	Penny	Spear	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Messrs. Anderson, Hanson, Lessard, Olson, Peterson and Sikorski were excused from the Session of today. Mr. Dieterich

was excused from the Session of today from 12:00 to 12:40 o'clock p.m. Mr. Johnson was excused from the Session of today from 12:00 to 12:30 o'clock p.m.

#### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Mr. Engler introduced—

S. F. No. 2378: A bill for an act relating to game and fish; restrictions upon the taking and possession of certain fur bearing animals; amending Minnesota Statutes 1978, Section 98.47, Subdivision 7; and Minnesota Statutes, 1979 Supplement, Section 100.27, Subdivisions 3 and 4.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Engler introduced—

S. F. No. 2379: A bill for an act relating to taxation; providing an exclusion from gross income for certain interest and dividend income; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Engler introduced—

S. F. No. 2380: A bill for an act relating to game and fish; possession of firearms in a motor vehicle; amending Minnesota Statutes 1978, Section 100.29, Subdivision 5.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Staples introduced—

S. F. No. 2381: A bill for an act relating to traffic regulations; authorizing licensed tow truck operators to deliver vehicles picked up within the boundaries of the licensing unit of government to a destination anywhere within the state without penalty; superseding inconsistent local ordinances.

Referred to the Committee on General Legislation and Administrative Rules.

Mr. Nichols introduced—

S. F. No. 2382: A bill for an act relating to licensed occupations; removing license renewal requirements; setting license fees; providing for competency hearings; amending Minnesota Statutes

1978, Chapters 15, by adding a section; and 214, by adding a section; and Sections 60A.14, Subdivision 1; 60A.17, Subdivisions 2 and 7; 80A.04, Subdivision 4; 80A.05, Subdivision 1; 82.20, Subdivisions 7 and 11; 82.22, Subdivisions 3, 8 and 13; 82.34, Subdivisions 3 and 4; 125.08; 154.065, Subdivision 1; 154.10; 154.16; 154.17; 154.18; 154.24; 155.02, Subdivision 7a; 155.09, Subdivision 5; 155.15; 183.545; 326.10, Subdivision 1; 326.12, Subdivision 2; 326.15; 326.241, Subdivision 2; 326.242, Subdivisions 7, 8 and 9; 326.331; 326.334, Subdivision 6; 326.40, Subdivision 5; 326.42; 326.50; 326.544; 326.546; 326.62; 386.66 and 386.69; and Minnesota Statutes, 1979 Supplement, Sections 82.21, Subdivision 1; 326.20, Subdivisions 1 and 2; repealing Minnesota Statutes 1978, Sections 80A.05, Subdivision 2; 82.20, Subdivisions 8 and 14; 82.22, Subdivision 10; 154.15; 326.10, Subdivision 5; and 326.22, Subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Ashbach introduced—

S. F. No. 2383: A bill for an act relating to taxation; real property; exempting certain privately owned public airport property; amending Minnesota Statutes 1978, Chapter 273, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 272.02, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kirchner introduced—

S. F. No. 2384: A bill for an act relating to taxation; changing the eligibility of the election by small business corporations; amending Minnesota Statutes 1978, Section 290.972, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pillsbury, Schaaf, Moe, Ashbach and Gearty introduced—

S. F. No. 2385: A bill for an act relating to the legislative auditor; clarifying access to data; amending Minnesota Statutes 1978, Section 3.97, by adding subdivisions.

Referred to the Committee on Governmental Operations.

#### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

February 25, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointments to the Cable Communications Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Christine P. Fritsche, Box 79, Route 4, Marshall, Lyon County, has been appointed by me, effective February 25, 1980, for a term expiring the first Monday in January, 1983.

Charles A. Green, 1100 Aspen Drive, Burnsville, Dakota county, has been appointed by me, effective February 25, 1980, for a term expiring the first Monday in January, 1984.

Gene C. Loffler, II, 1108 Village Road, Chaska, Carver County, has been appointed by me, effective February 25, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Commerce.)

Sincerely,  
Albert H. Quie, Governor

March 13, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. No. 54.

Sincerely,  
Albert H. Quie, Governor

March 13, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1980 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:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
54		351	March 13	March 13

Sincerely,  
Joan A. Growe,  
Secretary of State

**MESSAGES FROM THE HOUSE**

**Mr. President:**

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 273 and repassed said bill in accordance with the report of the Committee, so adopted.

**S. F. No. 273:** A bill for an act relating to commerce; providing a floating usury rate for contracts for deed on residential property; amending Minnesota Statutes 1978, Section 47.20, Subdivisions 2 and 4, and by adding a subdivision.

Senate File No. 273 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 13, 1980

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 920.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 13, 1980

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S. F. No. 364:** A bill for an act relating to peace officers; requiring uniform colors and identification for law enforcement motor vehicles and uniforms of peace officers and security guards; amending Minnesota Statutes 1978, Section 169.98.

Senate File No. 364 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 13, 1980

Mr. Coleman moved that S. F. No. 364 be laid on the table. The motion prevailed.

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S. F. No. 1296:** A bill for an act relating to public welfare;

authorizing grants for community residential facilities; amending Minnesota Statutes 1978, Section 252.30.

Senate File No. 1296 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 13, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Purfeerst moved that the Senate concur in the amendments by the House to S. F. No. 1296 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1296 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Barrette	Hughes	Moe	Renneke	Stokowski
Benedict	Humphrey	Nelson	Rued	Strand
Bernhagen	Keefe, J.	Nichols	Schaaf	Stumpf
Brataas	Kirchner	Ogdahl	Schmitz	Ueland, A.
Coleman	Kleinbaum	Olhoft	Setzepfandt	Ulland, J.
Dunn	Knoll	Omann	Sieloff	Vega
Engler	Knutson	Penny	Sillers	Wegener
Frederick	Luther	Perpich	Solon	Willet
Gearty	Menning	Pillsbury	Spear	
Gunderson	Merriam	Purfeerst	Stern	

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1755: A bill for an act relating to towns; permitting compensation and providing for mileage of deputy clerks; amending Minnesota Statutes 1978, Section 367.05, Subdivision 2.

Senate File No. 1755 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 13, 1980

**CONCURRENCE AND REPASSAGE**

Mr. Wegener moved that the Senate concur in the amendments by the House to S. F. No. 1755 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1755 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Gearty	Luther	Pillsbury	Staples
Barrette	Gunderson	Menning	Purfeerst	Stern
Benedict	Hughes	Merriam	Renneke	Stokowski
Bernhagen	Humphrey	Moe	Rued	Strand
Brataas	Johnson	Nelson	Schaaf	Stumpf
Chmielewski	Keefe, J.	Nichols	Schmitz	Tennessee
Coleman	Kirchner	Ogdahl	Setzepfandt	Ueland, A.
Davies	Kleinbaum	Olhoff	Sieloff	Ulland, J.
Dunn	Knoll	Omamn	Sillers	Vega
Engler	Knutson	Penny	Solon	Wegener
Frederick	Laufenburger	Perpich	Spear	Willet

So the bill, as amended, was repassed and its title was agreed to.

**MESSAGES FROM THE HOUSE—CONTINUED**

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 1584: A bill for an act relating to transportation; providing for specific information signing for resorts and recreational camping areas along certain highways.

There has been appointed as such committee on the part of the House:

Ainley, Kroening and Battaglia.

Senate File No. 1584 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 13, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1795, 1798, 1823, 1844, 1846, 942, 1349, 1577, 1765, 1774, 1892, 1895, 1931, 1995, 2051, 2119, 2122, 2187 and 2222.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 13, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1795, 1798, 1823, 1844, 1846, 942, 1349, 1577, 1765, 1774, 1892, 1895, 1931, 1995, 2051, 2119, 2122, 2187 and 2222.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 13, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 593, 1796, 1814, 2153, 2198, 2295, 2075, 2135, 2141, 2142, 1090, 1769, 1824, 2287, 2302, 1816, 2374, 1451, 1699, 1742 and 1779.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 13, 1980

#### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 1795: A bill for an act relating to historic sites; designating the Canadian National Depot in Warroad as an historic site; requiring notice to the Minnesota historical society when the state or a political subdivision of the state acquires certain property; amending Minnesota Statutes 1978, Section 138.59.

Referred to the Committee on General Legislation and Administrative Rules.

H. F. No. 1798: A bill for an act relating to courts; second judicial district; providing for the appointment of the juvenile court clerk; amending Laws 1951, Chapter 653, Section 1, as amended.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1836 now on the Consent Calendar.

H. F. No. 1823: A bill for an act relating to transportation; permitting informational notations on recorded maps and plats; simplifying correction of errors on them; amending Minnesota Statutes 1978, Section 160.085, Subdivision 1, and by adding a subdivision.

Referred to the Committee on Transportation.

H. F. No. 1844: A bill for an act relating to health; authorizing the commissioner of health to investigate complaints under certain circumstances; amending Minnesota Statutes 1978, Section 214.13, by adding subdivisions.

Referred to the Committee on Governmental Operations.

H. F. No. 1846: A bill for an act relating to highway traffic regulations; authorizing certain identification rights on motor

vehicles operated by certificated volunteer ambulance drivers; amending Minnesota Statutes 1978, Section 169.58, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1914 now on General Orders.

H. F. No. 942: A bill for an act relating to pollution control; authorizing state use of up to two percent of federal construction grant funds to administer the federal water pollution control act; amending Minnesota Statutes 1978, Section 116.16, Subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2354.

H. F. No. 1349: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey the interests of the state in certain lands in Kandiyohi county for the purpose of correcting conveyancing errors.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2307.

H. F. No. 1577: A bill for an act relating to real property; empowering the commissioner of banks to clear certain title defects involving a defunct state agency.

Referred to the Committee on Judiciary.

H. F. No. 1765: A bill for an act relating to financial institutions; excluding certain loans made by credit unions in calculating outstanding loans and risk assets for reserve fund purposes; amending Minnesota Statutes 1978, Section 52.17.

Referred to the Committee on Commerce.

H. F. No. 1774: 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 1978, Section 593.01, by adding a subdivision.

Referred to the Committee on Judiciary.

H. F. No. 1892: A bill for an act relating to courts; providing that courts may acquire electronic data processing services through supreme court contracts; amending Minnesota Statutes 1978, Chapter 480, by adding a section.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2036 now on the Consent Calendar.

H. F. No. 1895: A bill for an act relating to human rights; further defining certain unfair discriminatory practices related to reprisals; defining the scope of a class for class action suits; increasing a penalty by increasing allowable punitive damages; amending Minnesota Statutes 1978, Sections 363.03, Subdivision

7; 363.071, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 363.06, Subdivision 4.

Referred to the Committee on Judiciary.

H. F. No. 1931: A bill for an act relating to Ramsey County; simplifying the numbering of the county code; amending Laws 1974, Chapter 435, Articles I to IV, as amended.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2156 now on General Orders.

H. F. No. 1995: A bill for an act relating to health care; excluding coverage of certain services in the Comprehensive Health Insurance Plan; extending the pre-existing condition period; qualifying certain services covered by the Catastrophic Health Expense Protection program; repealing certain provisions; amending Minnesota Statutes 1978, Section 62E.12; 62E.14, Subdivision 3; 62E.53, by adding a subdivision; and Laws 1979, Chapter 272, Section 12.

Referred to the Committee on Commerce.

H. F. No. 2051: A bill for an act relating to elections; requiring certain employers to attempt to let employees make up time taken off for certain public meetings; amending Minnesota Statutes 1978, Section 210A.09, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2053 now on General Orders.

H. F. No. 2119: A bill for an act relating to the military; extending indefinitely the duration of the authority of the adjutant general to acquire lands for military training from funds available in the military land fund; repealing certain obsolete provisions relating to the military land fund; amending Minnesota Statutes 1978, Sections 190.25; 190.26, Subdivision 1; 190.29; 190.30, Subdivisions 1, 5 and 6; and repealing Minnesota Statutes 1978, Sections 190.26, Subdivisions 2 and 3; and 190.27.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1798 now on General Orders.

H. F. No. 2122: A bill for an act relating to insurance; increasing the maximum limits on the insuring or reinsuring of a single risk of certain companies; defining a term; amending Minnesota Statutes 1978, Section 60A.09, Subdivision 1, and by adding a subdivision.

Referred to the Committee on Commerce.

H. F. No. 2187: A bill for an act relating to state lands; authorizing conveyance of certain parcels of land in the city of Brooklyn Center.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2152 now in the Subcommittee on Bill Scheduling.

H. F. No. 2222: A bill for an act relating to insurance; authorizing business trusts to exchange reciprocal or interinsurance contracts; amending Minnesota Statutes 1978, Section 71A.01, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2234 now on General Orders.

H. F. No. 593: A bill for an act relating to wild animals; clarifying conditions under which raccoons may be taken at night; amending Minnesota Statutes 1978, Section 100.29, Subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 773 now on the Calendar.

H. F. No. 1796: A bill for an act relating to occupations and professions; allowing the board of cosmetology to waive certain license requirements for manager-operators with licenses from other states; amending Minnesota Statutes 1978, Section 155.14.

Referred to the Committee on Commerce.

H. F. No. 1814: A bill for an act relating to agriculture; clarifying certain requirements for authorized farm corporations; amending Minnesota Statutes 1978, Section 500.24, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1990 now in the Subcommittee on Bill Scheduling.

H. F. No. 2153: A bill for an act relating to health; authorizing the commissioner of health to issue orders concerning well water quality; amending Minnesota Statutes 1978, Section 156A.05, by adding a subdivision.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 2198: A bill for an act relating to juveniles; requiring notice to noncustodial parents of filing of petitions for dependency, delinquency, neglect, or neglected and in foster care; amending Minnesota Statutes 1978, Sections 260.135, Subdivision 2; and 260.251, Subdivision 1.

Referred to the Committee on Judiciary.

H. F. No. 2295: A resolution memorializing the President and Congress to take all actions necessary to effect changes in regulations of the Department of Health, Education, and Welfare so that physician visits to medically stable residents of certain health care facilities are required only quarterly or semi-annually.

Referred to the Committee on Rules and Administration.

H. F. No. 2075: A bill for an act relating to health; requiring certain immunizations for children; requiring certain schools to maintain immunization records and make certain reports; amending Minnesota Statutes 1978, Section 123.70.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 2135: A bill for an act relating to public welfare; providing that certain relatives of children receiving aid to families with dependent children are not responsible for contributions; amending Minnesota Statutes 1978, Section 256.87, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2146 now on General Orders.

H. F. No. 2141: A bill for an act relating to crimes; requiring inclusion of information on presentence investigation reports deemed necessary by the sentencing guidelines commission; amending Minnesota Statutes, 1979 Supplement, Section 609.115, Subdivision 1.

Referred to the Committee on Judiciary.

H. F. No. 2142: A bill for an act relating to crimes; requiring sentencing courts to submit information as the sentencing guidelines commission requires which is reasonably related to monitoring application of sentence guidelines; amending Minnesota Statutes 1978, Section 244.09, Subdivision 6.

Referred to the Committee on Judiciary.

H. F. No. 1090: A bill for an act relating to education; authorizing the state boards for community colleges and for vocational education to contract for certain insurance coverage for students; amending Minnesota Statutes 1978, Section 136.62, by adding a subdivision; and 121.21, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1207 now in the Subcommittee on Bill Scheduling.

H. F. No. 1769: A bill for an act relating to public welfare; providing access to criminal conviction data of certain applicants for licenses; amending Minnesota Statutes 1978, Section 245.783, Subdivision 3.

Referred to the Committee on Judiciary.

H. F. No. 1824: A bill for an act relating to driver's licenses; providing for the disposition of the county fee in Dakota County.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1763 now in the Subcommittee on Bill Scheduling.

H. F. No. 2287: A bill for an act relating to the city of Edina; authorizing a temporary short term on-sale liquor license for a certain civic or charitable festival.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2245 now on General Orders.

H. F. No. 2302: A bill for an act relating to financial institutions; requiring all checks and drafts drawn on certain accounts to

clearly display the month and year the account was opened.

Referred to the Committee on Commerce.

H. F. No. 1816: A bill for an act relating to local correctional facilities; updating provisions concerning county jails, city lock-ups and workhouses; clarifying provisions penalizing the possession and contraband in local correctional facilities; repealing provisions concerning correctional or work farms; providing for establishing and organizing court administrative structure; budgeting and operation of court services, probation, juvenile detention and correctional facilities by counties; amending Minnesota Statutes 1978, Sections 401.02, Subdivision 3; 641.01; 641.04; 641.06; 641.14; 641.15; 641.16; 641.165, Subdivision 2; 641.18; 641.21; 641.22; 642.02, Subdivision 2; 642.03; 642.07; 642.12; 643.01; 643.02; and 643.29; repealing Laws 1925, Chapter 12; Laws 1927, Chapter 142; Minnesota Statutes 1945, Sections 643.21; 643.22; 643.23; 643.24; 643.25; 643.26; 643.27; 643.28; and Minnesota Statutes 1978, Sections 641.17; 641.27; 641.28; 641.29; 641.30; 641.31; 641.32; 641.33; 641.34; 641.35; 641.36; 641.37; 641.38; 642.14; 643.03; 643.04; 643.05; 643.06; 643.07; 643.08; 643.09; 643.10; 643.11; 643.12; 643.13; 643.14; 643.15; 643.16; 643.17; 643.19; and 643.20.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 2374: A bill for an act relating to the state ceremonial building; creating the state ceremonial building board; amending Minnesota Statutes 1978, Section 16.872.

Referred to the Committee on Governmental Operations.

H. F. No. 1451: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and authorizing land acquisition in relation thereto.

Referred to the Committee on Agriculture and Natural Resources.

H. F. No. 1699: A bill for an act relating to food; exempting certain donors of food from civil and criminal liability in certain circumstances.

Referred to the Committee on Judiciary.

H. F. No. 1742: A bill for an act relating to highway traffic regulations; authorizing pickup trucks used for certain purposes to draw two trailers under certain circumstances and within limited areas; amending Minnesota Statutes 1978, Section 169.81, by adding a subdivision.

Referred to the Committee on Transportation.

H. F. No. 1779: A bill for an act relating to judicial procedures; changing the procedures and circumstances under which guardians and conservators may be appointed; clarifying the powers and duties of guardians and conservators; providing for

the appointment, powers, and duties of guardians and conservators of minors; amending Minnesota Statutes 1978, Sections 525.54; 525.541; 525.542; 525.543; 525.544; 525.55; 525.56; 525.57; 525.58; 525.581; 525.583; 525.59; 525.591; 525.60, Subdivision 1; 525.62; 525.63; 525.67; 525.69; 525.83; and Chapter 525, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 525.551; and 525.61; repealing Minnesota Statutes 1978, Sections 525.60, Subdivision 2; 525.611; 525.612; 525.613; 525.614; and 525.621.

Referred to the Committee on Judiciary.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S. F. No. 2003, and reports pertaining to appointments. The motion prevailed.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2348: A bill for an act relating to family; providing that natural parents may obtain a copy of an adopted child's original birth certificate; allowing parents ten days to revoke consent to adoption; providing a pre-adoption residency of three months; amending Minnesota Statutes 1978, Sections 144.218, Subdivision 1; 144.225, Subdivision 2; 259.24, Subdivision 5, and by adding a subdivision; 259.25, Subdivision 1, and by adding a subdivision; and 259.27, Subdivision 4; repealing Minnesota Statutes, 1979 Supplement, Sections 259.24, Subdivision 6; and 259.25, Subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2003: A bill for an act relating to public welfare; clarifying duties of the commissioner of public welfare regarding approval of public and private mental health centers and clinics for certain purposes; mandating additional rulemaking; amending Minnesota Statutes, 1979 Supplement, Section 245.69.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, strike "such" and after "rules" strike "and"

Page 2, line 10, strike "regulations as"

Page 2, delete lines 21 to 33 and insert:

*"Subd. 2. [APPROVAL OF CENTERS AND CLINICS.] The commissioner shall approve or disapprove public and private mental health centers and public and private mental health clinics as providers for group insurance policies and group subscriber contracts for purposes of section 62A.152, subdivision 2. The com-*

*missioner shall promulgate both temporary and permanent rules in accordance with sections 15.0411 to 15.052 to implement the provisions of this subdivision. The rules shall require each applicant to pay a fee to cover costs of processing applications and determining compliance with this subdivision. An approval is valid for two years and may be renewed. Each mental health clinic approved pursuant to this subdivision shall devote at least two-thirds of its resources to outpatient mental health diagnosis, treatment and consultation.*

*(a) Each approved mental health center and each approved mental health clinic shall have a multidisciplinary team of professional staff persons including as a minimum:"*

Page 3, delete line 1

Page 3, line 2, delete everything before "a" and insert "(1)"

Page 3, line 4, delete the semicolon

Page 3, line 4, delete "doctoral" in both cases

Page 3, line 5, delete "doctoral"

Page 3, line 5, after "psychologist" insert "with doctorate"

Page 3, line 6, delete "one" and insert "two"

Page 3, line 8, delete "(i)" and insert "(A)"

Page 3, line 9, delete the second "or"

Page 3, line 10, delete "(ii)" and insert "(B)"

Page 3, line 17, delete "(iii)" and insert "(C)"

Page 3, delete lines 21 to 23 and insert:

*"(2) A mental health center or mental health clinic may provide the staffing required by clause (a)(1) by means of written contracts with professional persons or with other health care providers."*

Pages 3 and 4, delete subdivisions 4, 5 and 6, and insert:

*"(b) Each approved mental health clinic and each approved mental health center shall establish a written treatment plan for each outpatient for whom services are reimbursable through insurance or public assistance. The treatment plan shall be developed by the physician or psychologist described in clause (a)(1) and shall include a patient history, treatment goals, a statement of diagnosis and a treatment strategy. The clinic or center shall provide for access to hospital admission as a bed patient as needed by any outpatient. The clinic or center shall ensure ongoing consultation among and availability of all members of the multidisciplinary team.*

*(c) As part of the required consultation, members of the multidisciplinary team shall meet at least twice monthly to conduct case reviews, peer consultations, treatment plan development and in-depth case discussions. Written minutes of these meetings shall be kept at the clinic or center for three years. At least three team*

members of differing professional qualifications, as defined in clause (a), shall be present at each meeting including one psychiatrist and two of the following: a psychologist with a doctorate, a masters level social worker, a masters level clinical psychiatric nurse or a masters level psychologist.

(d) Each approved center or clinic shall establish mechanisms for quality assurance and submit documentation concerning the mechanisms to the commissioner as required by rule, including:

- (1) Continuing education of each professional staff person;
- (2) An ongoing internal utilization and peer review plan and procedures;
- (3) Mechanisms of staff supervision; and
- (4) Procedures for review by the commissioner or his delegate.

(e) The commissioner shall disapprove an applicant, or withdraw approval of a clinic or center, which the commissioner finds does not comply with the requirements of this subdivision. The commissioner shall establish procedures for determining compliance or noncompliance with this subdivision, and shall delegate all but final approval and disapproval authority to another state agency, an individual, corporation or association. The commissioner shall authorize a transfer of money collected as fee payments from applicants to the delegate. A clinic or center which is disapproved or whose approval is withdrawn is entitled to a contested case hearing and judicial review pursuant to sections 15.0411 to 15.052.

(f) Data on individuals collected by approved clinics and centers, including written minutes of team meetings, is private data on individuals within the welfare system as provided in sections 15.1611 to 15.1698.

(g) Each center or clinic that is approved and in compliance with the commissioner's existing rule on the effective date of this section is approved for purposes of section 62A.152, subdivision 2, until rules are promulgated to implement section 1."

Page 4, line 10, delete "This act" and insert "Section 1"

And when so amended the bill do pass. Mrs. Brataas questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2308: A bill for an act relating to natural resources: authorizing the commissioner of natural resources to enter into agreements with the Minnesota Chippewa Tribe and Bands thereof in regard to licenses and fees for hunting, fishing, trapping, and taking of minnows and other bait on Indian reservations by non-

Indians; amending Minnesota Statutes 1978, Sections 97.431, Subdivision 4; and 97.432; and Chapter 97, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, reinstate the stricken language

Page 2, lines 13 and 14, delete the new language and insert "*and White Earth Band*"

Page 2, line 16, reinstate the stricken language

Page 2, line 16, delete the new language and insert "*and White Earth Band*"

Page 3, line 9, reinstate the stricken language

Page 3, line 10, delete the new language and insert "*and White Earth Band*"

Page 3, delete lines 17 to 33 and insert:

"[97.433] [AGREEMENTS WITH THE LEECH LAKE AND WHITE EARTH BANDS OF CHIPPEWA INDIANS RELATING TO HUNTING AND FISHING LICENSES AND FEES.] *Subdivision 1. [AGREEMENT WITH THE WHITE EARTH BAND OF CHIPPEWA INDIANS.] The commissioner may enter into an agreement with authorized representatives of the White Earth Band of Chippewa Indians on substantially the same terms as the agreement adopted by section 97.431 and amended pursuant to section 97.432; except that in lieu of the system described in section 97.431, subdivision 4, clause (b), of special licenses and related license fees for persons who are not members of the Minnesota Chippewa tribe, for the privilege of hunting, fishing, trapping, or taking minnows and other bait within the reservation, the agreement shall provide that up to two and one-half percent of the proceeds from the sale of all licenses sold in the state of Minnesota for hunting, fishing, trapping, or taking of minnows or other bait shall be credited to the special license account established by section 97.431, and shall be remitted to the White Earth Band in the manner and subject to the terms and conditions which may be mutually agreed upon. Any agreement negotiated pursuant to this subdivision shall be for a term of at least four years following the date of its execution.*

*Subd. 2. [AMENDMENT TO THE LEECH LAKE SETTLEMENT AGREEMENT.] The commissioner may enter into an agreement with authorized representatives of the Leech Lake Band of Chippewa Indians to amend the settlement agreement adopted by section 97.431 and previously amended pursuant to section 97.432 by providing that in lieu of the system of special licenses and license fees for persons who are not members of the Minnesota Chippewa tribe for the privilege of hunting, fishing, trapping, or taking minnows and other bait within the reservation, five percent of the proceeds from the sale of all licenses sold in the state of Minnesota for hunting, fishing, trapping, or taking minnows and other bait shall be credited to the special license account es-*

*tablished by section 97.431 and shall be remitted to the Leech Lake Band in the manner and subject to the terms and conditions which may be mutually agreed upon."*

Page 4, delete lines 1 to 6

Amend the title as follows:

Page 1, line 4, after "the" insert "Leech Lake and White Earth Bands of"

Page 1, line 4, delete "and"

Page 1, line 5, delete "Bands thereof"

Page 1, line 7, after "on" insert "the Leech Lake and White Earth"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2021: A bill for an act relating to agriculture; establishing a program of loan guarantees for development of grain alcohol fuel facilities; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. To aid in further developing the state's agricultural resources by supporting the production of fuel from agricultural products, there is established an agricultural fuel development program to be administered by the commissioner of agriculture and the agricultural fuel development advisory council.

Sec. 2. [DEFINITIONS.] As used in this act, unless the context requires otherwise:

(1) "Agricultural fuel development project" or "project" means any process using agricultural products including forest products for the creation of energy including converting agricultural products into energy or growing agricultural products.

(2) "Commissioner" means the commissioner of agriculture.

(3) "Council" means the agricultural fuel development advisory council.

(4) "Loan fund" means the loan fund created by section 8.

(5) "Loan guarantee" means the guarantee of loans as provided by sections 4 to 7.

(6) "Lender" means any individual or association or group of associations organized generally or specifically to extend credit and loan services approved by the commissioner to make loans to agricultural fuel development projects.

(7) "Unit of government" means any city, county, regional development commission, industrial development district and municipally owned or chartered public utility within the state of Minnesota.

(8) "Small business" means a sole proprietorship, partnership, cooperative or corporation domiciled in Minnesota, which either employs less than 100 persons or is at least 90 percent beneficially owned by individual citizens of the state. Small business does not include subsidiary businesses of any kind.

(9) "Real estate security" means an interest in real estate conveyed or assigned to the state to secure any loan or loan guarantee provided by this act.

Sec. 3. [AGRICULTURAL FUEL DEVELOPMENT ADVISORY COUNCIL.] The governor shall appoint an agricultural fuel development advisory council of five members knowledgeable in the area of agricultural fuel technology, natural resource development, environmental protection, finance, agriculture, local government operations or public utility operations, to review rules and make recommendations to the commissioner. At least three members shall reside outside of the metropolitan area as defined in section 473.121, subdivision 2.

The council shall elect its own presiding officer, and meet at the call of the presiding officer or the majority of the members. The commissioner shall provide administrative facilities and services for the commission.

Sec. 4. [PROCEDURES; RULES.] By October 1, 1980, the commissioner shall establish by rule, standards and criteria for projects to be eligible for loans or loan guarantees including but not limited to economic feasibility of projects and procedures in the processing of applications. Loans and guarantees shall be provided only to the extent the applicant cannot otherwise obtain funds. Any individual, small business or unit of government may apply to the commissioner on forms provided by the commissioner for a loan or loan guarantee for an agricultural fuel development project. The commissioner shall preliminarily review all applications for compliance with the standards and criteria established pursuant to this section and make recommendations to the commission as to the form and amount of any assistance to be granted. The council may request that additional written and oral presentation be given to the council on any application. The council shall review the application and the commissioner's recommendations and shall advise the commissioner whether the proposed agricultural fuel development project meets the criteria established by the commissioner, whether the project should be financed with moneys from the loan fund or whether a loan guarantee be provided and in what amount a loan or loan guarantee shall be made if approved. The recommendation shall include loans and loan guarantee separately or in combination and may provide for financing up to 100 percent of capital requirements, including working capital, of the applicant for the project.

Sec. 5. [COMMISSIONER'S DECISION.] After consideration of the recommendation of the council, the commissioner may approve or reject the financing of a project and certify the amount of the loan or loan guarantee. The commissioner shall notify the applicant and the presiding officer of the council of his action and the reasons for that action.

Notwithstanding any law to the contrary, a decision by the commissioner on an application for loan funds is not subject to judicial review.

Sec. 6. [PROCEDURE AND PROVISIONS OF LOAN OR LOAN GUARANTEE; SECURITY.] If the commissioner approves the financing of a project, the commissioner and the applicant shall enter into a loan or loan guarantee contract secured by a lien or liens on real estate owned by the applicant or members of the applicant and upon any income from the project which shall set forth the conditions of the loan and loan guarantee and its repayment terms. The period of any loan or loan guarantee shall not exceed 30 years.

The existence or foreclosure of a lien, mortgage or other form of security created by this section shall not cause the acceleration of payments on affected real property.

When a loan or loan guarantee is secured by a lien on real property the commissioner shall file notice of the loan or guarantee and notice of satisfaction of loans and guarantees with the recorder of the county in which the affected real property lies.

The commissioner shall institute appropriate proceedings to foreclose liens for delinquent loan payments and shall pay the proceeds of any foreclosure, less his expenses incurred in foreclosing, into the sinking fund, or the commissioner may seek other appropriate legal remedies.

Sec. 7. [ENFORCEMENT AND PROHIBITION.] No small business, for at least 10 years following the receipt of any loan or loan guarantee under this act, shall exceed the limitations contained in the definition of small business in section 2.

The commissioner shall enforce the prohibition of this section by certifying any violation to the attorney general of the state of Minnesota who shall then seek judicial relief, compelling conformity with the limitations contained in section 2.

Sec. 8. [AGRICULTURAL FUEL DEVELOPMENT LOAN FUND.] Subdivision 1. [CREATION; RECEIPTS.] The commissioner of finance shall maintain a Minnesota agricultural fuel development loan fund. The fund shall receive the proceeds of state bonds appropriated to the fund and disburse money for the purposes set forth below. The commissioner of finance and state treasurer shall deposit in the fund as received (a) all proceeds of Minnesota state agricultural fuel development bonds, except accrued interest and premiums received upon the sale of the bonds; (b) all other money appropriated to the fund by law; and (c) all money granted to the state for agricultural fuel development

project purposes by the federal government or any agency thereof. All the receipts are annually appropriated for the purposes of the fund, and shall remain available until expended.

Subd. 2. [DISBURSEMENTS.] Disbursements from the fund shall be made for loans and loan guarantees at the times and in the amounts authorized by the commissioner of agriculture in accordance with applicable laws and the commissioner's rules.

Sec. 9. [MINNESOTA AGRICULTURAL FUEL DEVELOPMENT BONDS.] Subdivision 1. [AUTHORITY TO ISSUE BONDS.] The commissioner of finance shall sell bonds of the state of Minnesota for the prompt and full payment of which, together with interest, the full faith, credit, and taxing powers of the state are irrevocably pledged. Bonds shall be sold only upon request of the commissioner and in the amount as may otherwise be authorized by this or a subsequently enacted law which authorizes the sale of additional bonds and the deposit of the proceeds in the agricultural fuel development fund. Any authorized amount of bonds in this law or any subsequently enacted law authorizing the issuance of bonds for the purposes of the agricultural fuel development fund, together with this section, constitute complete authority for the issue. The bonds shall not be subject to restrictions or limitations contained in any other law.

Subd. 2. [ISSUANCE OF BONDS.] Upon request by the commissioner and upon authorization as provided in subdivision 1, the commissioner of finance shall sell agricultural fuel development bonds. The bonds shall be in the aggregate amount requested, and sold upon sealed bids upon the notice, at the price, in the form and denominations, bearing interest at the rate or rates, maturing in the amounts and on the dates (without option of prepayment or subject to prepayment upon the notice and at the times and prices), payable at the bank or banks within or outside the state (with provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale or delivery of definitive bonds), and in accordance with any further provisions as the commissioner of finance shall determine. The sale is subject to the approval of the attorney general, but not subject to the provisions of Minnesota Statutes, Sections 15.0411 to 15.0422. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any interest coupons and their seals may be printed, lithographed, engraved, or stamped thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an officer of a bank designated by them as authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Subd. 3. [EXPENSES.] All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including but not limited to actual and necessary travel and sub-

sistence expenses of state officers and employees for these purposes, and any expenses of litigation relating to the validity of the bonds, shall be paid from the agricultural fuel development fund, and the amounts necessary are appropriated from that fund.

Sec. 10. [BOND AUTHORIZATION AND APPROPRIATION OF PROCEEDS.] The commissioner of finance is authorized, upon request of the board, to sell agricultural fuel development bonds in the amount of up to \$300,000,000 in the manner and upon the conditions prescribed above and in the Minnesota Constitution, Article XI, Sections 4 to 7. The proceeds of the bonds, except as provided elsewhere, are appropriated to the agricultural fuel development fund. The commissioner may make loans and loan guarantees in an amount not to exceed five times the total amount of funds available in the agricultural fuel development fund and sinking fund.

Sec. 11. [SINKING FUND.] There is created the agricultural fuel development sinking fund, to provide for payment of:

(a) Administrative expenses of the department, the commissioner and the commission in processing applications and investigating proposed projects; and

(b) Principal and interest of all bonds issued pursuant to this act.

The fund shall consist of:

(a) Repayment of and interest on loans made from the loan fund;

(b) Appropriations by the legislature;

(c) Accrued interest and premiums received upon the sale of bonds pursuant to section 8; and

(d) Interest earned on cash balances invested by the state treasurer.

The commissioner shall submit to the legislature and the governor a biannual report of the transactions of the loan fund and the sinking fund in such detail as will accurately indicate the condition of the funds.

Sec. 12. [APPROPRIATIONS.] The sum of \$. . . . . is appropriated from the general fund to the sinking fund and \$. . . . . to the agricultural fuel development fund to be available until June 30, 1981.

Sec. 13. [EFFECTIVE DATE.] Sections 1 to 12 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing a program of loans and loan guarantees for development of fuel from agricultural resources; authorizing the issuance of bonds; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2062: A bill for an act relating to financial institutions; establishing a maximum lawful rate of interest chargeable on loans made by credit unions; amending Minnesota Statutes 1978, Section 52.14.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 48.153, is amended to read:

48.153 [INSTALLMENT LOANS; FINANCE CHARGES; MINIMUM CHARGES.] *Subdivision 1. A bank organized under the laws of this state, or a national banking association doing business in this state making a loan of money not exceeding \$35,000 repayable in installments, may charge upon the unpaid principal balance of the financed amount a rate of interest not in excess of 12 percent a year. A loan made prior to July 31, 1983, at a greater rate than permitted by this subdivision may continue to bear the greater rate of interest if that greater rate was lawful when the loan was made and such a rate is not usurious.*

*Subd. 1a. (a) Any Notwithstanding subdivision 1, a bank organized under the laws of this state, or any a national banking association doing business in this state, making any a loan of money not exceeding ~~\$25,000~~ \$35,000 repayable in installments, may make a finance charge for such loan to be computed at a rate which does not exceed 12 percent per annum charge, at the time the loan is made, a rate of interest upon the unpaid principal balance of the amount financed of 12 percent a year, or the rate of interest authorized by section 334.011, whichever is greater. If the rate of interest charged is permitted by section 334.011 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.*

*(b) This subdivision supersedes subdivision 1 from its effective date until July 31, 1983.*

*Subd. 2. Installment payments on loans made pursuant to this section by a bank or national banking association shall not extend beyond a period of 12 years and 32 days from the date of the loan. The loan may be secured by a mortgage, pledge, or other collateral.*

*Subd. 3. A savings bank organized pursuant to chapter 50, that has its principal place of business in this state, may make a loan for consumer purposes to a natural person in an amount not exceeding \$25,000 repayable in installments, and may charge upon the unpaid principal balance of the financed amount a rate of*

*interest not in excess of 12 percent a year. A loan made prior to July 31, 1983, at a greater rate than permitted by this subdivision may continue to bear the greater rate of interest if that greater rate was lawful when the loan was made and such a rate is not usurious.*

*Subd. 3a. (a) Any Notwithstanding subdivision 3, a savings bank organized pursuant to chapter 50, and having that has its principal place of business in this state, may make a loan for consumer purposes to any a natural person in an amount not exceeding \$7,500 \$25,000 repayable in installments, and may make a finance charge for the loan to be computed at a rate not exceeding 12 percent per annum on charge a rate of interest upon the unpaid principal balance of the amount financed of 12 percent a year, or the rate of interest authorized by section 334.011, whichever is greater. If the rate of interest charged is permitted by section 334.011 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.*

*(b) This subdivision supersedes subdivision 3 from its effective date until July 31, 1983.*

*Subd. 4. Installment payments on loans made pursuant to this section by a savings bank shall not extend beyond a period of five years and 32 days from the date of the loan. The loan may be secured by a mortgage, pledge or other collateral.*

*Subd. 5. Charges in reference to installment loans under this section shall be computed and collected only on the unpaid principal balance of the amount financed actually outstanding. One day's finance charge shall mean means an amount equal to 1/365 of the per annum rate provided for in an installment loan. If the total finance charge determined on an installment loan, single payment or demand loan shall be less than \$10 the amount charged may nevertheless be \$10. No loan shall be made pursuant to this section if over 50 percent of the proceeds of the loan are used to finance the purchase of a borrower's primary residence other than a mobile home.*

Sec. 2. Minnesota Statutes 1978, Section 51A.21, is amended by adding a subdivision to read:

*Subd. 19. [OPEN END LOAN ACCOUNT ARRANGEMENTS.] A savings association or savings and loan association subject to the provisions of sections 51A.01 to 51A.57, and a savings and loan association chartered under the laws of the United States, and a wholly owned subsidiary of such a financial institution, may extend credit through an open end loan account arrangement with a debtor, pursuant to which the debtor may obtain loans from time to time by cash advances, purchases or satisfaction of the obligations of the debtor incurred pursuant to a credit card or other open end loan account plan, or otherwise under a credit card or overdraft plan, pursuant and subject to the provisions of section 48.185, subdivisions 3, 4, 4a, 5, 6 and 7, that are applicable to banks, national banking associations, and savings banks. The extension of credit pursuant to this subdivision may be*

*unsecured or may be secured in whole or in part by an assignment or pledge of a savings account or savings certificate.*

Sec. 3. Minnesota Statutes 1978, Section 52.14, is amended to read:

52.14 [INTEREST ON LOANS.] *Subdivision 1. Interest rates on unpaid balances of loans made by a credit union shall not exceed one per cent a month on unpaid balances. A loan made prior to July 31, 1983, at a greater rate of interest than is permitted by this subdivision may continue to bear the greater rate of interest if the greater rate was lawful when the loan was made and such rate is not usurious.*

*Subd. 2. (a) Notwithstanding subdivision 1, interest rates on unpaid balances of loans made by a credit union shall not exceed one percent a month or the rate of interest authorized in section 334.011, whichever is greater at the time the loan is made. If the rate of interest charged is permitted by section 334.011 at the time the loan is made, the rate does not later become usurious because of a fluctuation in the federal discount rate.*

*(b) This subdivision supersedes subdivision 1 from its effective date until July 31, 1983.*

Sec. 4. *This act is effective the day following final enactment. Section 1, subdivisions 1a and 3a, and section 3, subdivision 2, are repealed on July 31, 1983.*

Delete the title and insert:

*“A bill for an act relating to financial institutions; providing for interest rates on certain installment loans and open end loan account arrangements; granting certain lending powers to savings associations and savings and loan associations; amending Minnesota Statutes 1978, Sections 48.153; 51A.21, by adding a subdivision; and 52.14.”*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1085: A bill for an act relating to courts; venue; authorizing actions against public officers to be retained in a county other than where the public officer resides; amending Minnesota Statutes 1978, Section 542.03.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1978, Section 542.03, is amended to read:

542.03 [OFFICIAL MISCONDUCT, WHERE CAUSE AROSE.] *Subdivision 1. Except as provided in subdivision 2, actions against a public officer, or person specially appointed to*

execute his duties, for acts done by virtue of such his office, and against any person for like cause who has acted in place or in aid of such the officer, and actions to recover penalties or forfeitures imposed by statute, shall be tried in the county in which the cause of action arose. If the act for which the penalty or forfeiture is imposed be is committed upon a lake or stream extending into, or bordering upon, more than one county, such the action may be tried in any of these counties.

*Subd. 2. The trial of any action against a state official for acts affecting the use of land or waters of the state may, in the discretion of the court, be tried in the county where the land or water is located, whether or not the state official resides in that county, on motion made to the court in that county by any party to the action if the court finds (1) that trial of the action in that county is in the interests of justice, (2) that no party to the action will be prejudiced thereby and (3) that the trial of the action will be expedited. The motion may be submitted on pleadings mailed to the court without the necessity of personal appearance.*

Sec. 2. Minnesota Statutes 1978, Section 542.18, is amended to read:

**542.18 [STATE AS PARTY TO CIVIL ACTION; REMOVAL FROM RAMSEY COUNTY.]** Notwithstanding any provision of law to the contrary, the trial of any civil action in the county of Ramsey to which the state or any officer, department or agency thereof is a party may, in the discretion of the court, be removed to any other county in which one of the parties resides on motion made to the court as in civil actions by any of the parties to the action, if the court finds that such removal is (1) that removal is in the interests of justice, (2) that no party to the action will be prejudiced thereby and (3) that the trial of the action will be expedited thereby. *The motion may be submitted on pleadings mailed to the court without the necessity of personal appearance.*

Sec. 3. *This act is effective the day after final enactment.*"

Amend the title as follows:

Page 1, line 2, delete "venue;"

Page 1, line 2, after "authorizing" insert "certain"

Page 1, line 3, delete "public" and insert "state"

Page 1, line 3, delete "retained" and insert "tried"

Page 1, line 4, delete "public officer resides" and insert "cause of action arose"

Page 1, line 4, after the semicolon, insert "providing for procedure for removal;"

Page 1, line 5, delete "Section" and insert "Sections"

Page 1, line 5, after "542.03" insert "; and 542.18"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2197: A bill for an act relating to education; modifying and providing certain procedures for the termination, discharge and demotion of certain teachers; amending Minnesota Statutes 1978, Section 125.12, Subdivisions 3, 4, 8, 9, 10, 11, and by adding a subdivision; and 125.17, Subdivisions 2, 5, and 10; repealing Minnesota Statutes 1978, Section 125.17, Subdivisions 6, 7, 8 and 9.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 125.12, Subdivision 2, is amended to read:

Subd. 2. [HIRING, DISMISSING.] School boards shall hire or dismiss teachers at duly called meetings. Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher shall be made or authorized except upon the unanimous vote of the full board. No teacher related by blood or marriage, within the fourth degree, computed by the civil law, to a board member shall be employed except by a unanimous vote of the full board. The *initial employment of the teacher in the district* shall be by written contract, signed by the teacher and by the chairman and clerk. *All subsequent employment of the teacher in the district shall be by written contract, signed by the teacher and by the chairman and clerk, except where there is a master agreement covering the employment of the teacher.* Contracts for teaching or supervision of teaching can be made only with qualified teachers. *Such contract shall specify the wages per year and the general assignment of the teacher.* A teacher shall have 10 days after receipt to consider, demand corrections, execute and return such contract, but this period shall not be construed to be an extension of the final resignation date in subdivision 4. No teacher shall be required to reside within the employing school district as a condition to teaching employment or continued teaching employment.

Sec. 2. Minnesota Statutes 1978, Section 125.12, Subdivision 3, is amended to read:

Subd. 3. [PROBATIONARY PERIOD.] The first and second consecutive years of a teacher's first teaching experience in Minnesota in a single school district shall be deemed to be a probationary period of employment, and after completion thereof, the probationary period in each school district in which ~~he~~ *the teacher* is thereafter employed shall be one year. A teacher who has complied with the then applicable probationary requirements in a school district prior to July 1, 1967, shall not be required to serve a new probationary period in the said district subsequent thereto. During the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit; provided, however, that the school board shall give any

such teacher whose contract it declines to renew for the following school year written notice to that effect before June 1. If the teacher requests reasons for any nonrenewal of a teaching contract *within 20 days of receipt by the teacher of the notice of nonrenewal*, the school board shall give the teacher its reason in writing, *including within ten days after receiving the request. The reasons for nonrenewal shall include a statement that appropriate supervision was furnished describing, and it shall describe the nature and the extent of such the supervision furnished the teacher during his the teacher's employment by the board, within ten days after receiving such request.* The school board may, after a hearing held upon due notice, discharge or suspend a probationary teacher during the probationary period school year for cause, effective immediately, under section 123.14, subdivision 4, or section 123.35, subdivision 5 only in accordance with subdivision 8 and section 5.

Sec. 3. Minnesota Statutes 1978, Section 125.12, Subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF CONTRACT AFTER PROBATIONARY PERIOD.] A teacher who has completed his the probationary period in any school district, and who has not been discharged or advised of a refusal to renew his the teacher's contract pursuant to subdivision 3, shall have a continuing contract with such the district. Thereafter, the teacher's contract shall remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board prior to April 15 upon one of the grounds specified in subdivision 6 or placed on unrequested leave of absence prior to June 1 upon one of the grounds specified in subdivisions subdivision 6a or 6b, or until the teacher is discharged pursuant to subdivision 8, or by the written resignation of the teacher submitted prior to April 15: provided, however, that if an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179.61 to 179.77 179.76 prior to March 1, the teacher's right of resignation shall be extended to the 30th calendar day following the adoption of said the contract in compliance with section 179.70, subdivision 2. Such A written resignation by the teacher shall be effective as of June 30 if submitted prior to that date, and the teachers' teacher's right of resignation for the school year then beginning shall cease on July 15. Before a teacher's contract is terminated by the board or the teacher is placed on unrequested leave of absence, the board shall notify the teacher in writing and state its ground for the proposed termination or placement on unrequested leave in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 ten days after receipt of such the notification. Within 14 ten days after receipt of this notification the teacher may make a written request for a hearing before the board, and it shall be granted before final action is taken. If no hearing is requested within such that period, it shall be deemed acquiescence by the

teacher to the board's action. ~~Such~~ A hearing requested pursuant to this subdivision shall take place in accordance with the provisions of section 5 if the board proposes to terminate the teacher's contract on any of the grounds specified in subdivision 6 or to discharge or suspend the teacher on any of the grounds specified in subdivision 8. The hearing shall take place in accordance with subdivision 9 if the board proposes to place the teacher on unrequested leave of absence on a ground specified in subdivision 6a or 6b. Termination or placement on unrequested leave of absence shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid or the teacher is placed on unrequested leave. Such A contract may be terminated at any time by mutual consent of the board and the teacher and this section shall not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

Sec. 4. Minnesota Statutes 1978, Section 125.12, Subdivision 8, is amended to read:

Subd. 8. [IMMEDIATE DISCHARGE.] A school board may discharge or suspend without pay for a limited period of time a probationary or continuing-contract teacher, effective immediately, upon any of the following grounds:

- (a) Immoral conduct, insubordination, or conviction of a felony;
- (b) Conduct unbecoming a teacher which requires the immediate removal of the teacher from his classroom or other duties;
- (c) Failure without justifiable cause to teach without first securing the written release of the school board;
- (d) Gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (e) Willful neglect of duty; or
- (f) Continuing physical or mental disability subsequent to a twelve months leave of absence and inability to qualify for reinstatement in accordance with subdivision 7.

Prior to discharging or suspending a teacher the board shall notify the teacher in writing and state its ground for the proposed discharge or suspension in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board, and it shall be granted before final action is taken. In an action for discharge the board may, however, suspend a teacher with without pay pending the conclusion of such hearing and determination of the issues raised therein after charges have been filed which constitute ground for discharge. A suspension without pay may continue pending the conclusion of the hearing for discharge and the final decision of the board pursuant to section 5, clause (5). If the final decision is favorable to the teacher, there shall be no abatement of pay and interest shall be paid to the teacher on the amount of pay withheld at a rate of interest equal to two percent in excess of the discount rate on 90 day commercial paper in effect at the federal reserve

*bank in the federal reserve district encompassing Minnesota, calculated from the date of suspension to the date of payment.*

Sec. 5. Minnesota Statutes 1978, Section 125.12, is amended by adding a subdivision to read:

**Subd. 8a. [HEARING PROCEDURES; TERMINATIONS AND DISCHARGES FOR CAUSES OTHER THAN THOSE IN SUBDIVISIONS 6A AND 6B.]** *(1) This subdivision shall govern hearings which are requested pursuant to subdivision 4 because a board proposes to terminate a continuing contract teacher's contract on any of the grounds specified in subdivision 6 or to discharge or suspend a continuing contract or probationary teacher on any of the grounds specified in subdivision 8.*

*(2) A request for a hearing pursuant to this subdivision shall be in writing, and it shall be served personally on a member of the school board.*

*(3) Upon receipt of a request for a hearing, the school board shall assign an independent hearing officer who shall schedule and conduct the hearing within 14 days of receipt of service of the teacher's request by the school board. The hearing officer shall not be a school board member or an employee of the school district, or any person with a personal or professional interest which would conflict with his objectivity at the hearing. A person who serves as a hearing officer is not an employee of the district solely because he is paid by the district to serve as a hearing officer. The hearing officer shall inform the teacher and the school board of the date, time and place of the hearing. The hearing shall be private or public at the discretion of the teacher. Unless the parties agree otherwise, the hearing shall be conducted in the county in which the principal office of the school board is located.*

*(4) The hearing officer shall preside over the hearing and shall have authority to administer oaths to witnesses. The board and the teacher may each be represented by counsel at its or the teacher's own expense. Counsel may examine and cross-examine witnesses and present arguments. The board shall first present evidence. Each party may present rebuttal evidence. All witnesses shall be sworn upon oath by the hearing officer. Upon the written request of either the board or the teacher, the clerk of the board shall issue subpoenas for witnesses or the production of records pertinent to the grounds for the proposed action. The board shall employ a court reporter to record the proceedings at the hearing, and either party may obtain a transcript thereof at its own expense.*

*(5) Within ten days of the conclusion of all proceedings, the hearing officer shall make a report stating findings of fact, conclusions of law and a recommended decision upon the proposed action. The hearing officer's report shall be served upon the board and the teacher. Any discharge or suspension of the teacher or termination of the teacher's contract recommended in the hearing officer's report or contained in the final decision of the board shall be based upon substantial and competent evidence. The board*

*shall make a final decision within 30 days of receipt of the officer's report; provided that the board shall not make a final decision until the officer's report has been made available to the parties for at least seven days within which time each party adversely affected by the report shall file exceptions to the school board in order to preserve the right to present arguments to the school board based on these exceptions. The final decision of the school board shall be served on the teacher, accompanied by an order of termination or discharge or suspension if applicable. If the decision of the school board or subsequent judicial review is favorable to the teacher, the decision shall be entered in the board minutes and all references to the proceedings shall be excluded from the teacher's record file.*

*(6) Each party shall pay an equal share of the total fees and expenses for the hearing officer, except that if the decision of the school board or subsequent judicial review is favorable to the teacher, the fees and expenses shall be paid by the school board.*

Sec. 6. Minnesota Statutes 1978, Section 125.12, Subdivision 9, is amended to read:

Subd. 9. [HEARING PROCEDURES; TERMINATIONS FOR CAUSES SPECIFIED IN SUBDIVISIONS 6A AND 6B.] *This subdivision shall govern hearings which are requested pursuant to subdivision 4 because a board proposes to place a teacher on unrequested leave of absence on any of the grounds specified in subdivision 6a or 6b. Any hearing held pursuant to this section subdivision shall be held upon appropriate and timely notice to the teacher, and shall be private or public at the discretion of the teacher. All hearings pursuant to this subdivision requested by individual teachers pursuant to subdivision 4 may be consolidated by the school board. The school board shall issue a written decision and order as provided in subdivision 10 for each teacher involved. At the hearing, the board and the teacher may each be represented by counsel at its or his the teacher's own expense, and such . Counsel may examine and cross-examine witnesses and present arguments. The board shall first present evidence to sustain the grounds for termination or discharge placement on unrequested leave and then receive evidence presented by the teacher. Each party may then present rebuttal evidence. Dismissal Placement of the teacher on unrequested leave of absence shall be based upon substantial and competent evidence in the record. All witnesses shall be sworn upon oath administered by the presiding officer of the board. The clerk of the board shall issue subpoenas for witnesses or the production of records pertinent to the grounds upon the request of either the board or the teacher. The board shall employ a court reporter to record the proceedings at the hearing, and either party may obtain a transcript thereof at its own expense.*

Sec. 7. Minnesota Statutes 1978, Section 125.12, Subdivision 10, is amended to read:

Subd. 10. [DECISION.] *After the hearing pursuant to subdivision 9, the board shall issue a written decision and order. If the*

board orders ~~termination of a continuing contract or discharge of a teacher~~ *placement of a teacher on unrequested leave of absence*, its decision shall include findings of fact based upon competent evidence in the record and shall be served on the teacher, accompanied by an order of ~~termination or discharge~~ *placing the teacher on unrequested leave of absence and terminating the employment or contract of the teacher*, prior to April 1 in the case of a contract termination for grounds specified in subdivision 6, prior to June 1 for grounds specified in subdivision 6a or 6b, or within ten days after conclusion of the hearing in the case of a discharge. If the decision of the board or of a reviewing court is favorable to the teacher, the proceedings shall be dismissed and the decision entered in the board minutes, and all references to such ~~the~~ proceedings shall be excluded from the teacher's record file.

Sec. 8. Minnesota Statutes 1978, Section 125.12, Subdivision 11, is amended to read:

Subd. 11. [JUDICIAL REVIEW.] The pendency of judicial proceedings shall not be ground for postponement of the effective date of the school board's ~~order~~ *decision pursuant to section 5 or subdivision 10*, but if judicial review eventuates in reinstatement of the teacher, the board shall pay the teacher all compensation withheld as a result of the termination or dismissal ~~order~~ *decision.*"

Amend the title as follows:

Page 1, line 6, after "Subdivisions" insert "2,"

Page 1, line 7, delete everything after "subdivision" and insert a period

Page 1, delete lines 8 and 9

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 251: A bill for an act relating to cooperative associations; requiring the articles of incorporation or the bylaws of a newly formed association to specifically authorize the election of directors by mail votes; amending Minnesota Statutes 1978, Section 308.071.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 308.071, is amended to read:

308.071 [COOPERATIVE ASSOCIATIONS, ELECTION OF DIRECTORS.] Subdivision 1. No action heretofore or hereafter taken by the board of directors nor the election of any director of any cooperative association organized under sections 308.05 to

308.18 shall be held to be invalid by reason of any such director heretofore having been elected at an election at which any stockholder voted by mail in accordance with provisions for mail votes existing in the articles of incorporation or bylaws of such cooperative association prior to January 1, 1956 the effective date of this act.

Subd. 2. If voting by mail is authorized by the articles of incorporation or the bylaws of any such cooperative association, then any stockholder of such association may, at any election of any director of such association which shall be held hereafter and prior to January 1, 1958, vote by mail in the same manner as is prescribed by section 308.07. This shall not be construed as a declaration of legislative intent as to whether or not the statutes, prior to this amendment, permit the mailing of ballots for director's elections. No stockholder shall vote by mail for a director unless mail voting is authorized by the articles of incorporation or the bylaws of the association. Mail voting shall be in accordance with the following provisions. Notice of the meeting at which directors are to be elected shall include a written request form for a mail ballot for election of directors, together with an addressed envelope for mailing to the association. A stockholder who desires to vote and who will be absent from a meeting at which directors are to be elected shall make a written request for a ballot from the association. Upon receipt of the request, the association shall send a ballot to the stockholder. The ballot shall be in such form as the board of directors of the association shall prescribe for use in electing directors. The stockholder shall mark his ballot for the candidate or candidates of his choice and mail it to the association in a sealed envelope bearing his name. If the ballot of the stockholder is received by the association on or before the date of the meeting, the ballot shall be accepted and counted as the vote of the absent stockholder. This subdivision does not apply to cooperative telephone associations.

Subd. 3. If voting by mail is authorized by the articles of incorporation or the bylaws of a cooperative telephone association, a stockholder or member of the association may, at the election of any director of the association held hereafter, vote by mail in the manner prescribed in the articles of incorporation or bylaws of the association and the mail voting shall be by secret ballot.

Sec. 2. Minnesota Statutes 1978, Chapter 308, is amended by adding a section to read:

[308.105] [VOTING BY MEMBERS.] *Whenever a vote of members or stockholders of a cooperative association is required or provided for on any matter, including a petition pursuant to section 216B.02, subdivision 4, the spouse of the member or stockholder may vote on behalf of the member or stockholder unless the member or stockholder has indicated otherwise.*

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 cooperative associations; validating

elections of directors by mail voting; authorizing mail voting for directors of cooperative associations; providing for voting by members' spouses; amending Minnesota Statutes 1978, Section 308.071; and Chapter 308, by adding a section."

And when so amended the bill do pass. Amendments adopted. Report adopted.

#### REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the motion of Mr. Merriam to amend S. F. No. 251 by inserting the following:

"Sec. 2. Minnesota Statutes 1978, Chapter 308, is amended by adding a section to read:

[308.105] [VOTING BY MEMBERS.] *Whenever a vote of members or stockholders of a cooperative association is required or provided for on any matter, including a petition pursuant to section 216B.02, subdivision 4, the spouse of the member or stockholder may vote on behalf of the member or stockholder unless the member or stockholder has indicated otherwise."*

There were yeas 9 and nays 4, as follows:

Those who voted in the affirmative were: Davies; Hanson; Keefe, J.; Lessard; McCutcheon; Merriam; Sikorski; Spear; Strand.

Those who voted in the negative were: Barrette, Bernhagen. Knutson, Sieloff.

The motion prevailed. So the Merriam amendment was adopted.

Mr. Olson from the Committee on General Legislation and Administrative Rules, to which was referred

H. F. No. 2012: A bill for an act relating to motor vehicles: authorizing personalized license plates bearing radio or television station call signals or letters; amending Minnesota Statutes 1978, Section 168.12, Subdivision 2a.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Coleman from the Committee on Rules and Administration to which was referred

H. F. No. 1932 for comparison with companion Senate File. reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

**GENERAL ORDERS    CONSENT CALENDAR    CALENDAR**

H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
		1932	1904		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2047: A bill for an act relating to taxation; real property; clarifying the treatment of cooperatives and charitable corporations; amending Minnesota Statutes 1978, Section 273.133, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, after "*dwelling*" insert "*that qualifies for assessment under this subdivision*"

Page 2, line 6, delete "*, and*" and insert a period

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1963: A bill for an act relating to taxation; property tax administration; eliminating mandatory assessors meetings; amending Minnesota Statutes 1978, Sections 273.03, Subdivision 1; 273.04; and Minnesota Statutes, 1979 Supplement, Sections 270.06; and 273.061, Subdivision 8.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1648: A bill for an act relating to taxation; real property; eliminating tax recapture upon certain sales of qualifying agricultural property; amending Minnesota Statutes 1978, Section 273.111, Subdivision 9, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2210: A bill for an act relating to taxation; increasing the amount of value of a 3cc homestead that qualifies for reduced

assessment; amending Minnesota Statutes, 1979 Supplement, Sections 273.122 and 273.13, Subdivision 7.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1235: A bill for an act relating to public improvements; permitting deferral of special assessments in instances of hardship; amending Minnesota Statutes 1978, Section 435.193.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 17 to 20, delete the new language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1021: A bill for an act relating to taxation; providing for continuation of homestead classification of property owned by Peace Corps or VISTA volunteer; amending Minnesota Statutes 1978, Section 273.13, Subdivision 10.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, delete "1979" and insert "1980" and delete "1980" and insert "1981"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2092: A bill for an act relating to state parks; clarifying the law governing state acquisitions and landowners' rights; hunting and fishing within boundaries; amending Minnesota Statutes 1978, Sections 85.0115; and 99.25, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, line 11, delete "*in any manner he sees fit*"

Page 2, line 12, after "*county*" insert "*or town*"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1649: A bill for an act relating to agriculture; providing for testing to measure milk protein; providing for payments for milk protein and nonfat solids; amending Minnesota Statutes 1978, Section 32.25, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, strike “; provided, that in”

Page 2, line 1, strike “purchasing whole milk” and insert a period

Page 2, line 14, delete “and” and insert “or” and after “protein” insert “respectively”

Page 2, line 14, strike “such”

Page 2, line 18, after “When” insert “the payment is calculated on the basis of milk fat and protein, and”

Page 2, line 21, after “When” insert “the payment is calculated on the basis of milk fat and nonfat solids, and”

Page 3, delete lines 19 and 20

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1083: A bill for an act relating to game and fish; providing that a portion of big game license fees shall be used for deer habitat improvement; appropriating money; amending Minnesota Statutes 1978, Section 97.49, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete “big”

Page 1, line 12, delete “game” and insert “deer”

Page 1, line 15, delete “an”

Page 1, line 16, delete “amount equal to \$2” and insert “at least \$1”

Page 1, line 16, delete “big game” and insert “deer”

Page 1, line 17, delete everything after “commissioner”

Page 1, line 18, delete everything before “shall”

Page 1, delete lines 21 to 23

Amend the title as follows:

Page 1, line 3, delete “big game” and insert “deer”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1255: A bill for an act relating to tax-forfeited land sales; increasing the interest rate on the unpaid balance of the purchase price; amending Minnesota Statutes 1978, Sections 282.01, Subdivision 4; 282.15; 282.222, Subdivision 4; 282.261; and 282.35, Subdivisions 2 and 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Laufenburger from the Committee on Employment, to which were referred the following appointments as reported in the Journal for February 11, 1980:

#### WORKERS' COMPENSATION COURT OF APPEALS

Paul V. Rieke  
John C. Wallraff

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Laufenburger from the Committee on Employment, to which was referred the following appointment as reported in the Journal for February 18, 1980:

#### OCCUPATIONAL SAFETY AND HEALTH REVIEW BOARD

Dan W. Gustafson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 2218: A bill for an act relating to peace officers; exempting municipalities with a population of less than or equal to 5,000 from part-time officer licensing by the board of peace officer standards and training; authorizing such municipalities to adopt part-time officer licensing ordinances; amending Minnesota Statutes 1978, Chapter 626, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 626.8461.

Reports the same back with the recommendation that the report from the Committee on General Legislation and Administrative Rules shown in the Journal for March 10, 1980, "And when so amended the bill do pass" be adopted. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 1457: A bill for an act relating to transportation; providing for a transportation board; providing for transfer of certain duties, powers and functions of the public service commission and the commissioner of transportation to the transportation regulation board; regulating railroads and other common carriers of persons or property for hire; providing penalties; appropriating funds; amending Minnesota Statutes 1978, Sections 15A.081, Subdivision 1; 174.02, Subdivision 4; 174.03, Subdivision 2; 174.10, Subdivisions 1, 3, 4; 218.011, Subdivision 7; 218.021; 218.025; 218.031, Subdivisions 1, 6, 8, 10; 218.041; 218.071; 219.03; 219.14; 219.23; 219.24; 219.25; 219.27; 219.28; 219.383; 219.39; 219.40; 219.41; 219.42; 219.43; 219.46, Subdivision 7; 219.47; 219.51; 219.52; 219.54; 219.55; 219.562, Subdivision 3; 219.65; 219.681; 219.70; 219.71; 219.741; 219.85; 219.86; 219.87; 221.011, Subdivisions 2b, 15, 22; 221.021; 221.031, Subdivision 1; 221.041; 221.051; 221.061; 221.071; 221.081; 221.101; 221.121; 221.131; 221.141, Subdivision 2; 221.151; 221.161; 221.171; 221.181; 221.221; 221.261; 221.271; 221.281; 221.291, Subdivision 1; 221.293; 221.295; 221.296, Subdivisions 2, 3, 4, 8; 221.55; 221.68; repealing Minnesota Statutes 1978, Section 219.742.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations shown in the Journal for March 10, 1980, "And when so amended the bill do pass and be re-referred to the Committee on Finance" be adopted. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 1907: A bill for an act relating to state government; revising the civil service law; amending Minnesota Statutes 1978, Section 43.30.

Reports the same back with the recommendation that the report from the Committee on Veterans' Affairs shown in the Journal for March 3, 1980, "And when so amended the bill do pass" be adopted and the bill be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 1534: A bill for an act relating to advertising devices; providing for local regulation of certain devices; requiring compensation for removing certain devices; providing for maintenance of areas; amending Minnesota Statutes 1978, Section 173.08, Subdivision 2; 173.13, Subdivision 1; 173.17; and Chapter 173, by adding a section.

Reports the same back with the recommendation that the report from the Committee on Transportation shown in the Journal for March 10, 1980, "And when so amended the bill do pass" be adopted and the bill be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

H. F. No. 1715: A resolution memorializing the Civil Aeronautics Board and the President of the United States to authorize non-stop service by Northwest Airlines between Minneapolis-St. Paul and London.

Reports the same back with the recommendation that the report from the Committee on Transportation shown in the Journal for February 28, 1980, "the resolution do pass and be placed on the Consent Calendar" be not adopted and the resolution be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 2074, 2184, 2134, 1325, 2099, 2192, 870, 1207, 2042, 2280, 1861, 2265, 2153, 2288, 1870, 2264, 1677, 1549, 1931, 1909, 1795, 1984, 2066, 1690, 2283, 2318, 2137, 1962, 1832, 1801, 1562, 1865, 210, 1826, 1867, 2044, 2193, 992, 2161, 2080, 1858, 1990, 630 and 1721, and H. F. No. 870 makes the following report:

That the above Senate Files and House File be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S. F. Nos. 2230, 2335, 2267, 2363 and 2364 reports the same back with the recommendation that the bills be re-referred as follows:

S. F. No. 2364 to the Committee on Agriculture and Natural Resources.

S. F. Nos. 2230, 2335, 2363 to the Committee on Governmental Operations.

S. F. No. 2267 to the Committee on Health, Welfare and Corrections.

Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. No. 1963 was read the second time.

S. F. Nos. 2348, 2062, 1085, 2197, 251, 2047, 1648, 2210, 1235, 1021, 2092, 1649, 1255 and 2218 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 2012 and 1932 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Keefe, J. moved that the name of Mr. Merriam be added as co-author to S. F. No. 1235. The motion prevailed.

Mr. Penny moved that the name of Mr. Laufenburger be added as co-author to S. F. No. 1669. The motion prevailed.

Mrs. Staples moved that S. F. No. 2377 be returned to its author. The motion prevailed.

Mr. Coleman, for the Committee on Rules and Administration, offered the following resolution:

BE IT RESOLVED, by the Senate, that the following named persons be and are hereby appointed to the positions hereinafter stated and at the salaries heretofore fixed.

James Horwath, Page classification, effective March 6, 1980

Carol Liljenberg, Page classification, effective March 6, 1980

Rev. David Rebeck, Chaplain, effective March 12, 1980

Rev. Paul Schuessler, Chaplain, effective March 13, 1980

Mr. Coleman moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

**SPECIAL ORDER**

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 802 a Special Order to be heard immediately.

S. F. No. 802: A bill for an act relating to health; regulating the occupation of physical therapist; amending Minnesota Statutes 1978, Sections 148.65; 148.67; 148.70; 148.71; 148.72; 148.73; 148.74; 148.75; 148.76; 148.77; 148.78; and Chapter 148, by adding sections.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Keefe, J.	Merriam	Purfeerst
Bang	Dunn	Kirchner	Moe	Renneke
Barrette	Engler	Kleinbaum	Nelson	Rued
Benedict	Frederick	Knaak	Nichols	Schaaf
Bernhagen	Gearty	Knoll	Olhoft	Schmitz
Brataas	Gunderson	Knutson	Omann	Setzepfandt
Chmielewski	Hughes	Laufenburger	Penny	Sieloff
Coleman	Humphrey	Luther	Perpich	Sillers
Davies	Johnson	Menning	Pillsbury	Solon

Spear  
Staples  
Stern

Stokowski  
Strand  
Stumpf

Tennessee  
Ueland, A.

Ulland, J.  
Vega

Wegener  
Willet

So the bill passed and its title was agreed to.

### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 1325 a Special Order to be heard immediately.

S. F. No. 1325: A bill for an act relating to health; promoting health maintenance organizations by eliminating certain regulations; allowing development and operation of specialized health maintenance plans; promoting competition in health care delivery; requiring certain optional and mandatory benefits under certain health care plans; providing increased flexibility in benefit levels; modifying certain benefit requirements under the Minnesota Comprehensive Health Insurance Act of 1976; prescribing certain duties for the commissioners of health, public welfare, and insurance; amending Minnesota Statutes 1978, Sections 62A.149, Subdivision 1; 62A.16; 62A.17, Subdivision 4; 62D.01, Subdivision 2; 62D.02, Subdivisions 4, 5, and 6, and by adding subdivisions; 62D.03; 62D.04, Subdivisions 1 and 3; 62D.05; 62D.06, Subdivision 1; 62D.07; 62D.08; 62D.10, Subdivisions 1 and 3; 62D.101; 62D.11; 62D.12; 62D.13; 62D.14; 62D.15; 62D.16; 62D.17, Subdivisions 1, 3, and 4; 62D.18; 62D.19; 62D.20; 62D.21; 62D.22, Subdivisions 2, 3, 5, 6, and 8, and by adding a subdivision; 62D.25; 62D.28, Subdivisions 2 and 3; 62E.02, Subdivision 9; 62E.03, Subdivision 1; 62E.16; 72C.03; 144.691, Subdivision 4; 144.692; 144.693, Subdivisions 1 and 2; 144.703, by adding subdivisions; 145.61, Subdivision 5; 256B.59, Subdivision 1; 256B.60, Subdivision 2; Chapters 145, by adding a section; and 256B, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 62D.22, Subdivision 7; 62E.06 Subdivision 1; and 145.837, Subdivision 1; repealing Minnesota Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2.

Mr. Coleman moved to amend S. F. No. 1325 as follows:

Page 2, lines 11, 21 and 26, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 3, lines 7 and 14, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 4, lines 1 and 2, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 4, line 7, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 4, line 10, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 4, lines 14 and 25, delete "*specialized health maintenance*" and insert "*supplemental health*"

Page 4, lines 14 and 26, delete "*comprehensive*" and insert "*complete*"

Page 4, line 28, before "as" insert "and which are within the scope of practice of the professional persons providing the services"

Page 5, line 1, delete "Specialized health maintenance" and insert "Supplemental health services"

Page 5, lines 2 and 3, 16, 19 and 23, delete "specialized health maintenance" and insert "supplemental health services"

Page 5, lines 3 and 4 and line 6, delete "specialized health maintenance" and insert "supplemental health"

Page 5, line 11, delete "SPECIALIZED HEALTH MAINTENANCE" and insert "SUPPLEMENTAL HEALTH MAINTENANCE"

Page 5, lines 23 and 24, delete "special health maintenance" and insert "supplemental health services"

Page 6, line 7, delete "specialized health maintenance" and insert "supplemental health"

Page 6, lines 31 and 32, delete "specialized health maintenance" and insert "supplemental health services"

Page 7, lines 2 and 3, 5, 14 and 15, delete "specialized health maintenance" and insert "supplemental health services"

Page 7, lines 9 and 10, delete "comprehensive specialized health maintenance" and insert "complete supplemental health"

Page 9, lines 20 and 21, 27 and 28, and 30 and 31, delete "comprehensive specialized health maintenance" and insert "complete supplemental health"

Page 9, line 24, delete "specialized health maintenance" and insert "supplemental health services"

Page 10, lines 2, 12 and 13, 18, 21, 24 and 25 and 26, delete "specialized health maintenance" and insert "supplemental health services"

Page 10, lines 13 and 21, delete "SHMP" and insert "SHSP"

Page 10, line 24, delete the second "health"

Page 10, line 33, delete "SPECIALIZED HEALTH MAINTENANCE" and insert "SUPPLEMENTAL HEALTH SERVICES"

Page 11, lines 3 and 4, 6, 7, 13, 15 and 16, 17 and 18, 25, 29 and 32, delete "specialized health maintenance" and insert "supplemental health services"

Page 11, lines 22 and 23, delete "specialized health maintenance" and insert "supplemental health"

Page 12, lines 8, 17 and 18, 21 and 22, 24, 26, and 32 and 33, delete "specialized health maintenance" and insert "supplemental health services"

Page 12, lines 13 and 14, delete "*specialized health maintenance*" and insert "*supplemental health*"

Page 13, lines 2 and 3 and line 12, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 14, lines 9, 16, 26 and 28, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 15, lines 10 and 32, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 15, line 20, after the stricken "(d)" insert "(c)" and reinstate the rest of the line

Page 15, lines 21 to 29, reinstate the stricken language

Page 15, lines 21 and 28, strike "4" and insert "3"

Page 15, line 30, delete "(c)" and insert "(d)"

Page 16, line 9, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 16, line 15, delete "*specialized health maintenance*" and insert "*supplemental health*"

Page 17, lines 2, 6, 11, 20, 23 and 24, and 32 and 33, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 18, lines 6 and 7, 18, 24 and 25, and 29 and 33, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 19, lines 4, 7, 18, 25, and 29 and 30, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 20, lines 8, 10, 15, 19, 24, 28 and 32, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 21, lines 18 and 19 and line 22, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 22, lines 14, 16 and 17, 19, 21, and 26 and 27, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 23, lines 5, 13, 22 and 23, and 30 and 31, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 23, lines 21 and 22, delete "or specialized health maintenance plan"

Page 24, lines 10, 12 and 13, 16, and 31 and 32, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 25, lines 1 and 2, 9 and 10, 12 and 13, 17 and 18, 21 and 22, 25 and 26, and 29 and 30, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 25, line 15, delete "*specialized health maintenance*" and insert "*supplemental health*"

Page 26, lines 1, 3 and 4, 12 and 13, 20 and 21, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 27, lines 7, 13 and 14 and line 18, delete "*specialized health maintenance organization*" and insert "*supplemental health services plan*"

Page 27, lines 29, and 31 and 32, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 28, lines 13, 30, and 31 and 32, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 29, lines 15, 17, 23 and 28, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 30, line 11, delete "*comprehensive specialized health maintenance*" and insert "*complete supplemental health*"

Page 30, line 28, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 31, lines 7, 18 and 31, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 32, lines 4, 11, 22, 24 and 29, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 33, lines 1, 8, 21, 27 and 32, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 36, lines 2, 20 and 27, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 37, lines 16 and 17, 18 and 19 and line 30, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 38, lines 8 and 27, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 39, lines 6, 17 and 18, and 26 and 27, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 40, lines 13 and 14, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 41, lines 1, and 19 and 20, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 42, lines 4, 14, and 25 and 26, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 43, lines 7 and 25, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Page 51, line 15, delete "*specialized health maintenance*" and insert "*supplemental health services*"

Amend the title as follows:

Page 1, lines 4 and 5, delete "specialized health maintenance" and insert "supplemental health services"

The motion prevailed. So the amendment was adopted.

Mr. Coleman then moved to amend S. F. No. 1325 as follows:

Page 43, after line 30, insert:

"Section 1. Minnesota Statutes 1978, Section 62A.043, is amended by adding a subdivision to read:

*Subd. 3. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D."*

Page 44, after line 29, insert:

"Sec. 3. Minnesota Statutes 1978, Section 62A.149, is amended by adding a subdivision to read:

*Subd. 3. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 4. Minnesota Statutes 1978, Section 62A.15, is amended by adding a subdivision to read:

*Subd. 5. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 5. Minnesota Statutes 1978, Section 62A.151, is amended to read:

62A.151 [HEALTH INSURANCE BENEFITS FOR EMOTIONALLY HANDICAPPED CHILDREN.] No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or nonprofit health service plan corporation regulated under chapter 62C, or health maintenance organization regulated under chapter 62D which provides coverage of or reimbursement for inpatient hospital and medical expenses shall be delivered, issued, executed or renewed in this state, or approved for issuance or renewal in this state by the commissioner of insurance, after July 1, 1975 unless the policy or plan includes and provides health service benefits to any subscriber or other person covered thereunder, on the same basis as other benefits, for the treatment of emotionally handicapped children in a residential treatment facility licensed by the commissioner of public welfare. For purposes of this section "emotionally handicapped child" shall have the meaning set forth by the commissioner of public welfare in the rules and regula-

tions relating to residential treatment facilities. The restrictions and requirements of this section shall not apply to any plan or policy which is individually underwritten or provided for a specific individual and the members of his family as a nongroup policy. The mandatory coverage under this section shall be on the same basis as inpatient hospital medical coverage provided under the policy or plan. *Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 6. Minnesota Statutes 1978, Section 62A.152, is amended by adding a subdivision to read:

*Subd. 3. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 7. Minnesota Statutes 1978, Section 62A.153, is amended to read:

62A.153 [FREE STANDING AMBULATORY SURGICAL CENTERS.] No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C shall be issued, renewed, continued, delivered, issued for delivery or executed in this state, or approved for issuance or renewal in this state by the commissioner of insurance unless the policy, plan or contract specifically provides coverage for a health care treatment or service rendered by a free standing ambulatory surgical center or facilities offering ambulatory medical service 24 hours a day seven days a week, which are not part of a hospital, but have been reviewed and approved by the state commissioner of health to provide the treatment or service, on the same basis as coverage provided for the same health care treatment or service rendered by a hospital. *Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, after "Sections" insert "62A.043 by adding a subdivision;"

Page 1, line 14, before the semicolon insert "and by adding a subdivision"

Page 1, line 14, after the semicolon insert "62A.15, by adding a subdivision; 62A.151; 62A.152 by adding a subdivision; 62A.153;"

The motion prevailed. So the amendment was adopted.

Mrs. Staples moved to amend S. F. No. 1325 as follows:

Page 30, line 14, delete everything after "shall"

Page 30, delete lines 15 to 17

Page 30, line 18, delete everything before "allow"

Page 30, delete lines 23 and 24

The motion did not prevail. So the amendment was not adopted.

Mrs. Brataas moved to amend S. F. No. 1325 as follows:

Pages 48 and 49, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 27, delete "subdivisions" and insert "a subdivision"

The motion did not prevail. So the amendment was not adopted.

Mrs. Staples moved to amend S. F. No. 1325 as follows:

Page 51, line 33, delete everything before "repealed" and insert "section 62D.09 is"

Amend the title as follows:

Page 1, line 33, delete "Sections" and insert "Section"

Page 1, line 34, delete everything before the period

The motion did not prevail. So the amendment was not adopted.

Mr. Olhoff moved to amend S. F. No. 1325 as follows:

Page 4, after line 7, insert:

"Sec. 7. Minnesota Statutes 1978, Section 62D.02, Subdivision 7, is amended to read:

Subd. 7. "Comprehensive health maintenance services" means a set of comprehensive health services which the enrollees might reasonably require to be maintained in good health including as a minimum, but not limited to, emergency care inpatient hospital and physician care, outpatient health services and preventive health services.

*Every health maintenance organization shall have the option of excluding or including elective, induced abortions, except as necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician, from any or all health maintenance service plans provided by the organization, including plans providing maternity services."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, delete "and 6" and insert "6, and 7"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 18, as follows:

Those who voted in the affirmative were:

Barrette	Hughes	Merriam	Schmitz	Ueland, A.
Bernhagen	Humphrey	Moe	Setzepfandt	Vega
Chmielewski	Knaak	Olhoft	Sieloff	Wegener
Dunn	Knoll	Omann	Sillers	Willet
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Purfeerst	Stokowski	
Gearty	Luther	Renneke	Strand	
Gunderson	Menning	Rued	Stumpf	

Those who voted in the negative were:

Ashbach	Davies	Nelson	Schaaf	Tennesen
Benedict	Dieterich	Nichols	Spear	Ulland, J
Brataas	Johnson	Perpich	Staples	
Coleman	Kleinbaum	Pillsbury	Stern	

The motion prevailed. So the amendment was adopted.

S. F. No. 1325: A bill for an act relating to health; promoting health maintenance organizations by eliminating certain regulations; allowing development and operation of supplemental health services plans; promoting competition in health care delivery; requiring certain optional and mandatory benefits under certain health care plans; providing increased flexibility in benefit levels; modifying certain benefit requirements under the Minnesota Comprehensive Health Insurance Act of 1976; prescribing certain duties for the commissioners of health, public welfare, and insurance; amending Minnesota Statutes 1978, Sections 62A.043 by adding a subdivision; 62A.149, Subdivision 1 and by adding a subdivision; 62A.15, by adding a subdivision; 62A.151; 62A.152 by adding a subdivision; 62A.153; 62A.16; 62A.17, Subdivision 4; 62D.01, Subdivision 2; 62D.02, Subdivisions 4, 5, 6, and 7 and by adding subdivisions; 62D.03; 62D.04, Subdivisions 1 and 3; 62D.05; 62D.06, Subdivision 1; 62D.07; 62D.08; 62D.10, Subdivisions 1 and 3; 62D.101; 62D.11; 62D.12; 62D.13; 62D.14; 62D.15; 62D.16; 62D.17, Subdivisions 1, 3, and 4; 62D.18; 62D.19; 62D.20; 62D.21; 62D.22, Subdivisions 2, 3, 5, 6, and 8, and by adding a subdivision; 62D.25; 62D.28, Subdivisions 2 and 3; 62E.02, Subdivision 9; 62E.03, Subdivision 1; 62E.16; 72C.03; 144.691, Subdivision 4; 144.692; 144.693, Subdivisions 1 and 2; 144.703, by adding subdivisions; 145.61, Subdivision 5; 256B.59, Subdivision 1; 256B.60, Subdivision 2; Chapters 145, by adding a section; and 256B, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 62D.22, Subdivision 7; 62E.06, Subdivision 1; and 145.837, Subdivision 1; repealing Minnesota Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2.

Was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 49 and nays 8, as follows:

Those who voted in the affirmative were:

Bang	Gearly	Laufenburger	Penny	Staples
Barrette	Gunderson	Luther	Perpich	Stern
Benedict	Hughes	McCutcheon	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Renneke	Strand
Chmielewski	Johnson	Merriam	Schaaf	Stumpf
Coleman	Kirchner	Moe	Schmitz	Tennessee
Davies	Kleinbaum	Nelson	Setzepfandt	Vega
Dieterich	Knaak	Nichols	Sieloff	Wegener
Dunn	Knoll	Olhoff	Sillers	Willet
Engler	Knutson	Omman	Solon	

Those who voted in the negative were:

Ashbach	Frederick	Rued	Ueland, A.	Ulland, J.
Brataas	Pillsbury	Spear		

So the bill, as amended, passed and its title was agreed to.

### CALENDAR

S. F. No. 1433: A bill for an act relating to Washington County; providing for the appointment and compensation of probation officers; amending Laws 1978, Chapter 693, Section 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Luther	Purfeerst	Strand
Bang	Gearly	McCutcheon	Renneke	Stumpf
Barrette	Gunderson	Menning	Rued	Tennessee
Benedict	Hughes	Merriam	Schaaf	Ueland, A.
Bernhagen	Humphrey	Moe	Schmitz	Ulland, J.
Brataas	Johnson	Nelson	Sieloff	Vega
Chmielewski	Kirchner	Nichols	Sillers	Wegener
Coleman	Kleinbaum	Olhoff	Solon	Willet
Davies	Knaak	Omman	Spear	
Dieterich	Knoll	Penny	Staples	
Dunn	Knutson	Perpich	Stern	
Engler	Laufenburger	Pillsbury	Stokowski	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S. F. No. 1815: A bill for an act relating to commerce; providing for service of legal process on nonresident brokers and salespersons licensed to do business in Minnesota; amending Minnesota Statutes 1978, Section 82.31, Subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knutson	Perpich	Staples
Bang	Frederick	Laufenburger	Pillsbury	Stern
Barrette	Gearty	Luther	Purfeerst	Stokowski
Benedict	Gunderson	Menning	Rued	Strand
Bernhagen	Hughes	Merriam	Schaaf	Stumpf
Brataas	Humphrey	Moe	Schmitz	Tennesen
Chmielewski	Johnson	Nelson	Setzpfandt	Ueland, A.
Coleman	Kirchner	Nichols	Sieloff	Ulland, J.
Davies	Kleinbaum	Olhoft	Sillers	Vega
Dieterich	Knaak	Omann	Solon	Wegener
Dunn	Knoll	Penny	Spear	Willet

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Monday, March 17, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTIETH DAY

St. Paul, Minnesota, Monday, March 17, 1980

The Senate met at 10:00 o'clock a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Frederick	Laufenburger	Perpich	Staples
Barrette	Gearty	Lessard	Peterson	Stokowski
Benedict	Gunderson	Luther	Pillsbury	Strand
Bernhagen	Hanson	McCutcheon	Purfeerst	Stumpf
Brataas	Humphrey	Menning	Renneke	Ueland, A.
Chmielewski	Johnson	Moe	Rued	Ulland, J.
Coleman	Keefe, S.	Nelson	Schmitz	Vega
Davies	Kleinbaum	Othoft	Setzepfandt	Wegener
Dunn	Knaak	Omann	Sikorski	Willet
Engler	Knoll	Penny	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Winfield Johnson.

The roll was called, and the following Senators answered to their names:

Ashbach	Gearty	Laufenburger	Peterson	Stokowski
Bang	Gunderson	Lessard	Pillsbury	Strand
Barrette	Hanson	Luther	Purfeerst	Stumpf
Benedict	Humphrey	McCutcheon	Renneke	Tennessee
Bernhagen	Jensen	Menning	Rued	Ueland, A.
Brataas	Johnson	Moe	Schaaf	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Schmitz	Vega
Coleman	Keefe, S.	Nichols	Setzepfandt	Wegener
Davies	Kirchner	Ogdahl	Sieloff	Willet
Dieterich	Kleinbaum	Othoft	Sikorski	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Messrs. Anderson, Hughes, Merriam, Olson, Sillers and Stern were excused from the Session of today. Mr. Menning was excused from the Session of today from 10:55 to 11:15 o'clock a.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Messrs. Strand, Setzepfandt and Nichols introduced—

S. F. No. 2386: A bill for an act relating to communications; providing funds for the building or purchase of office, studio and transmission facilities and the purchase of studio, production and transmission equipment by West Central Minnesota Educational Television; appropriating money.

Referred to the Committee on Education.

Messrs. Nichols and Moe introduced—

S. F. No. 2387: A bill for an act relating to employment; requiring that the balance of state CETA program be maintained as a separate and distinct program within the department of economic security; amending Minnesota Statutes 1978, Section 268.013, Subdivision 6.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S. F. No. 2388: A resolution memorializing Congress to pass H. R. 1918, a Service Pension for veterans of World War One and their surviving spouses.

Referred to the Committee on Veterans' Affairs.

Mrs. Brataas, Messrs. Frederick and Solon introduced—

S. F. No. 2389: A bill for an act relating to taxation; income; providing for the nonrecognition of gain or loss from sales or exchanges certified by the Federal Communications Commission; amending Minnesota Statutes 1978, Section 290.13, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communications were received and referred to the committees indicated.

December 31, 1979

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointments to the Minnesota Pollution Control Agency are hereby respectfully submitted to the Senate for confirmation as required by law:

Virgil C. Herrick, 477 Rice Creek Terrace, Fridley, Anoka County, has been appointed by me, effective January 7, 1980, for a term expiring the first Monday in January, 1984.

Dr. Wallace W. Nelson, Box 428, Lamberton, Redwood County, has been appointed by me, effective January 7, 1980, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Agriculture and Natural Resources.)

January 28, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointments to the Crime Control Planning Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Elwood Bissett, 851 McKinley Place South, St. Cloud, Stearns County, has been appointed by me, effective February 1, 1980, for a term expiring the first Monday in January, 1984.

Robert W. Johnson, P.O. Box 128, Anoka, Anoka County, has been appointed by me, effective February 1, 1980, for a term expiring the first Monday in January, 1984.

John D. Wunsch, 4540 Aldrich Avenue South, Minneapolis. Hennepin County, has been appointed by me, effective February 1, 1980, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Health, Welfare and Corrections.)

February 13, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointment as Chairman of the State Health Coordinating Council is hereby respectfully submitted to the Senate for confirmation as required by law:

George Pettersen, 84 Malcolm SE, Minneapolis, Hennepin County, has been appointed by me, effective February 25, 1980, for a term expiring February 24, 1982.

For your information, pursuant to P.L. 96-79, which amends Titles XV and XVI of the Public Health Services Act, Section 1524(b) (2), the Governor is now given the authority to appoint the Chairman of the State Health Coordinating Council:

"The Governor may select, by and with the advice and consent of the State Senate, or, in the case of a State with a unicameral legislature, of the State legislature, the chairman of the SHCC from among the members of SHCC. If the Governor does not select the chairman, the SHCC shall select the chairman from among its members."

The State Health Coordinating Council is established pursuant to a gubernatorial Executive Order.

(Referred to the Committee on Health, Welfare and Corrections.)

Sincerely,  
Albert H. Quie, Governor

### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1207: A bill for an act relating to motor vehicles; excluding owners of certain trailers from the requirement to furnish evidence of security; amending Minnesota Statutes 1978, Section 65B.68, Subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1837: 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 1978, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2244: A bill for an act relating to Independent School Districts Nos. 279 (Osseo) and 286 (Brooklyn Center); providing for transfers of territory between the districts.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, delete "297" and insert "279"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2113: A bill for an act relating to education; modifying the employment status of certain substitute teachers; amending Minnesota Statutes 1978, Section 123.35, Subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "*because of*"

Page 1, line 18, delete "*illness or emergency*"

Page 2, line 1, after "*each*" insert "*full*"

Page 2, line 7, after "*or*" insert "*tenure status pursuant to*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

H. F. No. 1778: A bill for an act relating to Independent School District No. 466; permitting the sale of certain land.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

H. F. No. 1996: A bill for an act relating to industrial development; providing for various energy related projects; amending Minnesota Statutes 1978, Sections 474.01, Subdivision 4; and 474.02, by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Section 474.03.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

H. F. No. 2028: A bill for an act relating to state government; clarifying benefits of employees of former Hastings state hospital.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 2263: A bill for an act relating to education; requiring a school board to provide certain teachers on extended leaves of absence with certain health care benefits under certain condi-

tions; amending Minnesota Statutes 1978, Section 125.60, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, delete "school board shall" and insert "teacher on an"

Page 1, delete lines 12 to 23 and insert: "extended leave of absence shall receive all of the health, accident, medical, surgical and hospitalization insurance or benefits, for both the teacher and the teacher's dependents, for which the teacher would otherwise be eligible if not on an extended leave, if such coverage is available from the school district's insurer, if the teacher requests the coverage, and if the teacher either (a) reimburses the district for the full amount of the premium necessary to maintain the coverage within a month following the district's payment of the premium, or (v) if the district is wholly or partially self-insured, pays the district, according to a schedule agreed upon by the teacher and the school board, an amount determined by the school board to be the amount that would be charged for the coverage chosen by the teacher if the school board purchased all health, accident, medical, surgical and hospitalization coverage for its teachers from an insurer."

Page 2, delete lines 1 to 6 and insert:

"Sec. 2. [EFFECTIVE DATE.] This act is effective July 1, 1980."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1943: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of vulnerable adults; requiring certain facilities to establish abuse prevention plans; establishing a penalty; appropriating money; amending Minnesota Statutes 1978, Section 245.813, by adding a subdivision; and Chapter 626, by adding a section; repealing Minnesota Statutes 1978, Sections 245.813, Subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; and 626.555.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, line 15, delete "clearly"

Page 2, line 21, delete "245.813" and insert "245.812"

Page 2, line 21, delete everything after "or" and insert "a mental health program receiving funds pursuant to section 245.61"

Page 2, line 22, delete everything before the period

Page 2, line 25, after the semicolon, insert "or"

Page 2, line 26, after "facility" insert "required to be licensed pursuant to sections 245.781 to 245.812"

Page 2, line 27, after "(3)" insert "Regardless of residence, is unable or unlikely to report abuse or neglect without assistance"

Page 2, line 28, delete everything after "status"

Page 2, line 29, delete everything before the period

Page 2, line 30, after "who" insert "(1)"

Page 2, line 32, delete "who" and insert "(2)"

Page 3, line 5, after "The" insert "intentional and nontherapeutic"

Page 3, line 5, after "or" delete "of" and insert "a persistent course of conduct intended to produce mental or emotional distress"

Page 3, line 6, delete "mental anguish"

Page 3, line 9, delete "or medical" and insert "health"

Page 3, line 9, after "care" insert ", or supervision"

Page 3, line 26, after the comma, insert "the board of teaching,"

Page 3, after line 28, insert:

"(h) "Local welfare board" means the county welfare board or a board designated by the county board pursuant to section 256E.08, subdivision 4."

Page 3, line 31, after "arts," insert "nursing, nursing home administration,"

Page 4, lines 10, 17, and 23, delete "agency" and insert "board"

Page 4, line 12, delete "agency" and insert "board" in both cases

Page 4, line 14, after the period, insert "Nothing in this subdivision shall be construed to require the reporting or transmittal of information regarding an incident of abuse or neglect or suspected abuse or neglect if the incident has been reported or transmitted to the appropriate person or entity."

Page 4, line 24, delete the first "agency" and insert "board"

Page 4, line 28, delete "department" and insert "board"

Page 5, line 2, after "any" insert "civil"

Page 5, line 2, delete ", civil or criminal,"

Page 5, lines 4, 10 and 13, delete "willfully" and insert "intentionally"

Page 5, lines 20, 28 and 33, delete "agency" and insert "board"

Page 5, line 31, delete "department" and insert "board"

Page 6, lines 2 and 21, delete "agencies" and insert "boards"

Page 6, lines 13 and 15, delete "agency" and insert "board"

Page 7, lines 3, 7, 9, 18, 20, 26, 28 and 33, delete "agency" and insert "board"

Page 7, line 8, delete "AGENCY" and insert "BOARD"

Page 7, line 13, after the period, insert "*Local welfare boards shall have the right to enter facilities and inspect and copy records as part of investigations. In cases of suspected sexual abuse, the local welfare board shall immediately arrange for and make available to the victim appropriate medical examination and treatment.*"

Page 7, line 33, after "shall" insert "immediately"

Page 8, line 13, after the period, insert "*The licensing agency shall have the right to enter facilities and inspect and copy records as part of investigations.*"

Page 8, line 22, after "licensed" insert "or credentialed"

Page 8, line 31, after "authority" insert "*and law enforcement officials, local welfare boards, and other licensing agencies in investigating the alleged abuse or neglect*"

Page 9, line 20, delete "agency" and insert "board"

Page 11, line 6, after "retaliatory" insert "*, but the presumption may be rebutted*"

Page 11, after line 23, insert:

*"Subd. 18. [PENALTY.] Any caretaker, as defined in section 1, subdivision 2, or operator or employee thereof, or volunteer worker thereat, who intentionally abuses or neglects a vulnerable adult, or being a caretaker, permits conditions to exist which result in the abuse or neglect of a vulnerable adult, may be charged with violation of section 609.23."*

Page 11, line 25, delete "*, Subdivisions 2, 3, 4, 5, 6, 7, 8 and 9,*"

Page 11, line 29, delete "2" and insert "1"

Page 11, line 31, delete "4" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "a penalty" and insert "penalties"

Page 1, line 6, delete "*, Section*"

Page 1, line 7, delete everything before "Chapter"

Page 1, line 9, delete "*, Subdivisions 2, 3, 4, 5,*"

Page 1, line 10, delete "*6, 7, 8, and 9*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 593 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
				593	773

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 593 be amended as follows:

Page 2, delete lines 16 to 19 and insert:

*“(a) Hunters shall be on foot and may use an artificial light only when using dogs for the purpose of taking raccoon.”*

Page 2, line 20, delete *“(c)”* and insert *“(b)”* and delete *“be no”* and insert *“not be of a caliber”*

Page 2, line 21, after *“rifle”* insert *“ammunition”*

Page 2, line 22, delete *“(d)”* and insert *“(c)”*

Amend the title as follows:

Page 1, line 3, delete *“may”* and insert *“can”*

And when so amended H. F. No. 593 will be identical to S. F. No. 773, and further recommends that H. F. No. 593 be given its second reading and substituted for S. F. No. 773, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1798, 2119, 1846, 2222, 2287, 2135, 1931, 2051 and 1892 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2119	1798	1798	1836		
1846	1914	1892	2036		
2222	2234				
2287	2245				
2135	2146				
1931	2156				
2051	2053				

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations to which was referred

H. F. No. 1871: A bill for an act relating to the Minnesota-Wisconsin boundary area commission; providing that the terms of commissioners shall be staggered; amending Minnesota Statutes 1978, Section 1.33.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after "terms" insert "*of the members of the Minnesota-Wisconsin boundary area commission*"

Page 2, after line 4, insert:

"Sec. 3. Minnesota Statutes 1978, Section 114.13, Subdivision 1, is amended to read:

114.13 [SOUTH DAKOTA-MINNESOTA BOUNDARY WATERS COMMISSION.] Subdivision 1. *There is created an interstate commission to be known as the South Dakota-Minnesota boundary waters commission. The members of the commission shall be the secretaries of the department of water and natural resources and the department of game, fish and parks of South Dakota and the commissioner of natural resources and the director of the pollution control agency of Minnesota. The fifth member shall be a qualified engineer appointed for a four year term by the mutual consent of the governors of Minnesota and South Dakota. The commissioner of natural resources shall cooperate with the director of the game and fish commission of South Dakota with regard to the South Dakota-Minnesota boundary waters. The commissioner commission shall have power and authority:*

(1) *To investigate and determine the most desirable and beneficial levels of boundary waters artificially controlled and to prescribe a plan for controlling and regulating water levels;*

~~(2) To prescribe and promulgate rules for the conduct of investigations, surveys, and hearings;~~

~~(3) (2) To hold hearings and take evidence as may be presented, either after complaint or upon his its own initiative, as to the desirability of any water level and plan of regulation, and to issue orders concerning the same which in his its opinion are for the best interests of the public;~~

~~(3) To plan, propose, coordinate and hold hearings on lake protection and rehabilitation projects for boundary waters; and~~

~~(4) To accept and distribute grants from any source for the purposes set forth in this section.~~

Sec. 4. Minnesota Statutes 1978, Section 114.13, Subdivision 2, is amended to read:

Subd. 2. [HEARINGS; PUBLICATIONS.] Hearings shall be held at such time and place as may be designated by the ~~commissioner~~ *commission* in any county affected by the subject matter. At least two weeks' published notice of the hearings shall be given by publication of the notice in a legal newspaper in each county bordering on the boundary waters which may be affected by the subject matter of the hearing. All final orders of the ~~commissioner~~ *commission* shall be published once each week for two consecutive weeks in a legal newspaper in each county bordering on the boundary waters which may be affected. The printer's affidavit of publication of all notices and orders shall be filed with the ~~commissioner~~ *commission*. *Hearings held pursuant to this section shall not be subject to the requirements of chapter 15. The commission shall seek the advice of local units of government and encourage them to voluntarily implement projects and to enter into agreements with one another for that purpose. The commission itself has no authority to implement lake protection or rehabilitation projects.*

Sec. 5. Minnesota Statutes 1978, Section 114.13, is amended by adding a subdivision to read:

*Subd. 2a. [ADVISORY COMMITTEES.] The commission shall establish a local advisory committee for each lake protection and rehabilitation project. A majority of the members of each committee shall be elected officials of local governmental units, including tribal governments, within the boundary waters watershed.*

Sec. 6. Minnesota Statutes 1978, Section 114.13, Subdivision 4, is amended to read:

Subd. 4. [APPEALS.] Any party aggrieved by any order or any determination of the ~~commissioner~~ *establishing or regulating water levels, as provided for in commission pursuant to this section* may appeal to the district court or to the circuit court, as the case may be, of any county in either state in which the subject matter of the order or the determination is wholly or partially located, or to the district court of the county in either state where the capitol thereof is located. Notice of appeal must be served upon the ~~commissioner~~ *commission* within 30 days from the last date of publication of the order appealed from. Appeals may likewise be taken from the judgments of the district court to the supreme court of its respective states.

Sec. 7. *Minnesota Statutes 1978, Section 114.13, Subdivision 3, is repealed."*

Amend the title as follows:

Page 1, line 2, after "to" insert "boundary waters; changing the terms of office of"

Page 1, line 4, after the semicolon, insert "creating the South Dakota-Minnesota boundary waters commission; changing the duties of the commissioner of natural resources;"

Page 1, line 5, delete "Section" and insert "Sections"

Page 1, line 5, before the period, insert “; 114.13, Subdivisions 1, 2, and 4, and by adding a subdivision; repealing Minnesota Statutes 1978, Section 114.13, Subdivision 3”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1835: A bill for an act relating to education; clarifying a term and removing obsolete language in provisions governing school district dissolution and attachment procedure, the consolidation procedure, the procedure for reorganizing a common school district, the procedure for calling special meetings in common school districts, actions against certain school board members, actions against certain school employees, and the establishment of certain libraries; amending Minnesota Statutes 1978, Section 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.85, Subdivision 1; 123.11, Subdivision 7; 127.09; 127.11; and 134.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 27, delete “200.02” and insert “123.32”

Page 2, line 1, delete “25” and insert “1a”

Page 2, line 17, delete “200.02” and insert “123.32”

Page 2, line 18, delete “25” and insert “1a”

Page 2, line 28, delete “200.02” and insert “123.32” and delete “25” and insert “1a”

Page 3, line 12, delete “200.02” and insert “123.32” and delete “25” and insert “1a”

Page 3, line 33, delete “200.02” and insert “123.32”

Page 4, line 1, delete “25” and insert “1a”

Page 4, line 10, delete “200.02” and insert “123.32” and delete “25” and insert “1a”

Page 4, line 15, delete “200.02” and insert “123.32” and delete “25” and insert “1a”

Page 4, line 24, delete “200.02” and insert “123.32”

Page 4, line 25, delete “25” and insert “1a”

Page 5, line 2, delete “200.02” and insert “123.32” and delete “25” and insert “1a”

Page 5, line 15, delete “200.02” and insert “123.32”

Page 5, line 16, delete “25” and insert “1a”

Page 5, line 19, delete “200.02” and insert “123.32”

Page 5, line 20, delete "25" and insert "1a"

Page 6, line 2, delete "200.02" and insert "123.32" and delete "25" and insert "1a"

Page 6, line 13, delete "200.02" and insert "123.32" and delete "25" and insert "1a"

Page 6, line 20, delete "200.02" and insert "123.32" and delete "25" and insert "1a"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2252: A bill for an act relating to retirement; providing for an increase in employer contributions for teachers retirement funds; amending Minnesota Statutes, 1979 Supplement, Sections 354.42, Subdivision 5; and 354A.12, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Subdivision 1. An advisory task force on the teachers retirement fund is created. The task force shall consist of the members of the legislative commission on pensions and retirement and seven members appointed by the governor. The task force members appointed by the governor shall include one representative of each of the following: teachers who are members of the teachers retirement association, retirees who receive benefits from the teachers retirement fund, school boards, private pension fund administrators, and actuaries; the governor shall also appoint two public members. The members appointed shall be appointed and serve pursuant to section 15.059, subdivision 6.

Subd. 2. The task force shall elect a chairman and other officers as it deems necessary. Meetings of the task force shall be held at the call of the chairman or at the request of a majority of its members. The task force may adopt operating procedures to regulate its procedures. The task force shall utilize existing legislative and executive branch staff to the extent possible, but may employ consultants if it deems it appropriate to do so. All contracts for consultants shall be submitted to the legislative coordinating commission for review and comment.

Subd. 3. The task force shall study the following:

(a) The assumptions currently being used to estimate the unfunded liability of the teachers retirement fund, their appropriateness, and alternatives to them;

(b) The current estimated unfunded liability of the teachers retirement fund;

(c) Whether full funding of the teachers retirement fund is appropriate or necessary;

(d) Methods to amortize all or part of the unfunded liability of the teachers retirement fund over a 30 year period; and

(e) Related issues which the task force deems appropriate.

Subd. 4. The task force shall submit its final report, including proposed legislation, to the governor and the legislature on or before November 1, 1980.

Sec. 2. As part of his budget message to the legislature in 1981, the governor shall also transmit for legislative consideration his recommendations with respect to the funding of the teachers retirement fund.

Sec. 3. The sum of \$..... is appropriated to the advisory task force on the teachers retirement fund for the period beginning on the effective date of section 1 and ending on November 15, 1980.

Sec. 4. The provisions of this act are effective the day following final enactment. Section 1 shall expire on November 15, 1980. Section 2 shall expire on February 1, 1981."

Amend the title as follows:

Delete the title and insert:

"A bill for an act relating to public employees; establishing an advisory task force on the teachers retirement fund; requiring reports; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1655: A bill for an act relating to education; permitting certain previous nonresident students to be treated as resident students in their district of attendance; amending Minnesota Statutes, 1979 Supplement, Section 120.075, Subdivision 4, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, delete "was enrolled on" and insert "has continuously been enrolled since"

Page 2, after line 6, insert:

"Sec. 3. Minnesota Statutes 1978, Chapter 120, is amended by adding a section to read:

[120.0751] [STATE BOARD OF EDUCATION.] Subdivision 1. [ENROLLMENT EXCEPTIONS.] *The state board of education may permit a pupil who enrolls in a school district of which he is not a resident to be deemed a resident pupil of that district pursuant to this section.*

Subd. 2. *The pupil or his parent or guardian shall make application to the state board, explaining the particular circumstances which make the nonresident district the appropriate district of*

*attendance for the pupil. The application must be signed by the pupil's parent or guardian and the superintendent of the nonresident district.*

*Subd. 3. In granting or denying the application the state board of education shall consider the following criteria:*

*Whether attending school in the district of residence creates a particular hardship for the pupil; and*

*Whether the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075.*

*Subd. 4. The state board of education shall render its decision in each case within 60 days of receiving the application in subdivision 2.*

*Subd. 5. The department of education shall provide the forms required by subdivision 2. These forms shall be available on or before July 31, 1980. The state board shall consider any application received by it on August 1, 1980, and thereafter. The state board of education shall adopt the procedures necessary to implement this section.*

Sec. 4. Minnesota Statutes 1978, Chapter 120, is amended by adding a section to read:

[120.0752] [AGREEMENTS BETWEEN SCHOOL DISTRICT SUPERINTENDENTS; ENROLLMENT EXCEPTIONS.] *Subdivision 1. A pupil may enroll in a school district of which he is not a resident and be deemed a resident pupil of that district pursuant to this section.*

*Subd. 2. The pupil's parent or guardian must receive the approval of the superintendent of the nonresident district and the superintendent of the resident district. The approval shall be on a form provided by the department of education. The superintendent of the nonresident district shall forward a copy of this form to the department of education within ten days of its approval. If the student withdraws his enrollment from the nonresident district the superintendent of that district shall report the fact to the department of education."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the semicolon, insert “, and authorizing the state board of education and school superintendents to make these exceptions”

Page 1, line 4, after “amending” insert “Minnesota Statutes 1978, Chapter 120, by adding sections; and”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1618: A bill for an act relating to taxation; authoriz-

ing certain taxing districts to provide property tax exemption or abatement for certain new business facilities.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete "county auditor of"

Page 2, line 3, delete "the county" and insert "*governing body of any or all taxing jurisdictions*"

Page 2, line 4, delete "The auditor shall immediately"

Page 2, delete lines 5 to 7

Page 2, line 8, delete "schedule" and insert "*If the governing body proposes to consider the application, it shall hold*"

Page 2, line 8, delete "The hearing shall be held after"

Page 2, delete lines 9 to 16

Page 2, line 17, delete "approve or disapprove the application."

Page 2, line 18, delete "county" and insert "*governing body*"

Page 2, line 20, after "exemption" insert "*and the percentage of the assessed valuation to be exempt if the total exemption is not approved*"

Page 2, line 21, delete "COUNTY" and insert "GOVERNING BODY" and after "The" delete "county" and insert "*governing body*"

Page 2, line 24, delete "In making"

Page 2, delete lines 25 to 27

Page 2, line 28, delete "LIMITED ABATEMENT;" and delete "If the"

Page 2, delete lines 29 to 33

Page 3, delete lines 1 and 2

Page 3, line 3, delete "testimony given at the public hearing."

Page 3, line 7, delete ", and" insert "*. Upon approval, the governing body,*" and delete "forward its approval to" and insert "*notify*"

Page 3, line 22, delete "in which"

Page 3, line 23, delete "the capital investment exceeds \$50,000 and"

Page 3, line 29, delete ", provided the capital investment"

Page 3, line 30, delete "made in the expansion exceeds \$25,000"

Page 3, line 32, delete "feed lot" and insert "*structure used for agricultural production*"

Page 4, line 10, delete "at a feed lot" and insert "*or poultry*"

Page 5, after line 1, insert:

**"Sec. 2. Minnesota Statutes 1978, Section 124.212, is amended by adding a subdivision to read:**

*Subd. 10a. The committee shall increase the adjusted assessed valuation of any school district in which is located property which is exempted from taxation by the school district pursuant to section 1 in an amount equal to the valuation which is subject to the exemption.*

**Sec. 3. Minnesota Statutes, 1979 Supplement, Section 477A.01, Subdivision 4, is amended to read:**

**Subd. 4 (a) The balance of the distributions in 1980 pursuant to subdivision 1, shall be divided among the several cities and towns in the state as provided herein:**

**(1) Funds shall be distributed to all cities and towns which are not subject to the levy limitations imposed pursuant to sections 275.50 to 275.56, with the distribution to be based on the average equalized mill rate of each city or town. For purposes of this clause, "average equalized mill rate" shall be defined as the sum of the 1979 mill rate of the city or town plus its 1978 mill rate plus its 1977 mill rate, multiplied by its 1978 aggregate sales ratio as determined by the commissioner of revenue, divided by three.**

**If the average equalized mill rate of the city or town is ten or less, the city or town will receive a distribution equal to that which it received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1979, plus, in the case of a city, the sum of \$1 multiplied by its population as determined under section 275.53.**

**If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the city or town will receive a distribution equal to that which it received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1979, plus the sum of \$3 multiplied by its population as determined under section 275.53.**

**If the average equalized mill rate of the city or town is greater than 20, the city or town will receive a distribution equal to that which it received pursuant to Minnesota Statutes 1978, Section 477A.01, for 1979, plus the sum of \$5 multiplied by its population as determined under section 275.53.**

**(2) Funds shall be distributed to the city of Minneapolis in an amount equal to the amount distributed to that city for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01.**

**(3) The funds remaining after distribution has been made pursuant to paragraphs (1) and (2) shall be distributed according to the provisions of this paragraph among the cities and towns, other than the city of Minneapolis, which are subject to the levy limitations imposed pursuant to sections 275.50 to 275.56.**

**(i) For purposes of the 1980 distribution, the "local revenue base" of a city or town shall be the sum of its levy limitation for taxes levied in 1978 plus the amount of the distribution it received for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01, except that the "local revenue base" of a city of the first class**

located within the metropolitan area defined in section 473.121, subdivision 2, shall be the sum of its levy limitation for taxes levied in 1978, multiplied by .85, plus the amount of the distribution it received for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01.

(ii) A preliminary state aid factor shall be established for each city and town by subtracting from the local revenue base, an amount equal to ten mills multiplied by the 1979 taxable valuation of the city or town, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town located within the metropolitan area and less the captured value in any tax increment district, divided by its 1978 aggregate sales ratio as determined by the commissioner of revenue.

(iii) A final state aid factor shall be established for each city and town by adjusting the preliminary state aid factor to comply with the following restrictions:

The final state aid factor for a city or town shall be an amount which is equal to or greater than an amount computed pursuant to the following:

If the average equalized mill rate of the city or town is ten or less, the final state aid factor of the city or town shall be at least equal to the amount which the city or town received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1979, plus the sum of \$1 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the final state aid factor of the city or town will be at least equal to the amount which the city or town received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1979, plus the sum of \$3 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than 20, the final state aid factor of the city or town will be at least equal to the amount which the city or town received pursuant to Minnesota Statutes 1978, Section 477A.01, for 1979, plus the sum of \$5 multiplied by its population as determined under section 275.53.

The final state aid factor for any city or town shall not exceed the previous year's distribution under Minnesota Statutes 1978, Section 477A.01 by more than the following percent: if a city received more than \$100 per capita in 1979 pursuant to Minnesota Statutes 1978, Section 477A.01, using the population determined pursuant to Minnesota Statutes 1978, Section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(iv) The amount of the distribution for which a city or a town is eligible under this paragraph shall be determined as follows: For

each city or town, its final state aid factor increase shall be the difference between its final state aid factor determined pursuant to this paragraph and the amount of distribution which it received for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01. The final state aid factor increase of each city or town shall be divided by the sum of the final state aid factor increases for all cities and towns receiving distributions under this paragraph; that quotient shall be multiplied by the amount of the increase in funds available for distribution under this paragraph over the sum of the amounts distributed to those cities and towns for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01. That product, plus the distribution the city or town received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1979, shall equal the distribution to be distributed to the city or town for 1980.

(v) The final distribution made to each city or town pursuant to this paragraph shall be in an amount which is at least equal to the distribution received by that city or town for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01, but which does not exceed the amount of the city's or town's 1979 distribution by more than the following percent: if a city received more than \$100 per capita in 1979 pursuant to Minnesota Statutes 1978, Section 477A.01, using the population determined pursuant to Minnesota Statutes 1978, Section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(vi) If the amount distributed to a city or town by paragraph (iv) is limited by paragraph (v) the distribution to other cities and towns that receive aid under paragraph (3) shall be proportionately increased as necessary to absorb the difference. In no event shall a city's or town's distribution exceed the city's or town's 1979 distribution by more than the following percent: if a city received more than \$100 per capita in 1979 pursuant to Minnesota Statutes 1978, Section 477A.01, using the population determined pursuant to Minnesota Statutes 1978, Section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(b) The balance of the distributions in 1981 pursuant to subdivision 1 shall be divided among the several cities and towns in the state as provided herein:

(1) Funds shall be distributed to all cities and towns which are not subject to the levy limitations imposed pursuant to sections 275.50 to 275.56, with the distributions to be based on the average equalized mill rate of each city or town. For purposes of this clause "average equalized mill rate" shall be defined as the sum of the 1980 mill rate of the city or town plus its 1979 mill rate plus its 1978 mill rate, multiplied by its 1979 aggregate sales ratio as determined by the commissioner of revenue, divided by three ; *provided that, if the city or town contains property exempt from taxation by the city or town pursuant to section 1, the mill rate*

*used for the purpose of this computation shall be the mill rate that would have been in effect if no property had been so exempt .*

If the average equalized mill rate of the city or town is ten or less, the city or town will receive a distribution equal to that which it received pursuant to clause (a) for 1980, plus, in case of a city, the sum of \$1 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the city or town will receive a distribution equal to that which it received pursuant to clause (a) for 1980, plus the sum of \$4 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than 20, the city or town will receive a distribution equal to that which it received pursuant to clause (a), for 1980, plus the sum of \$6 multiplied by its population as determined under section 275.53.

(2) The funds remaining after distribution has been made pursuant to paragraph (1) shall be distributed according to the provisions of this paragraph among the cities and towns which are subject to the levy limitations imposed pursuant to sections 275.50 to 275.56.

(i) For purposes of the 1981 distribution, the "local revenue base" of a city or town shall be its local revenue base computed according to clause (a) paragraph (3) for purposes of the 1980 distribution, provided that, in the case of a city which received its 1980 aid distribution pursuant to clause (a), paragraph (2), a local revenue base shall be computed for it according to the provisions of clause (a), paragraph (3); these revenue bases shall be increased as follows:

The 1980 local revenue base will be multiplied by the percentage of increase from June, 1979, to June, 1980 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 with 1967 as a base year. The product of that computation will be added to the 1980 local revenue base. The inflation-adjusted base shall also be increased by the percentage increase in the population of the city or town during the preceding year as determined according to section 275.53. After adjustment for population increase the inflation-adjusted local revenue base of each city and town shall also be increased by (1) the amount of its special levies levied in 1979 to pay the costs of principal and interest on bonded indebtedness incurred in 1979 or thereafter for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers and bridges plus (2) any adjustments made to the levy limit base of the city or town pursuant to section 275.51, subdivision 3d for purposes of refuse collection and street maintenance; and (3) any adjustments made to the levy limit base of the city or town pursuant to section 275.52, subdivision 4, clause (d).

(ii) A preliminary state aid factor shall be established for each city and town by subtracting from the local revenue base, ten mills multiplied by the 1980 taxable valuation of the city or town adjusted for the contributions and distributions required by chapter 473F if applicable and less the captured value in any tax increment financing district divided by its 1979 sales ratio as determined by the commissioner of revenue.

(iii) A final state aid factor shall be established for each city and town by adjusting the preliminary state aid factor to comply with the following restrictions:

The final state aid factor for a city or town shall be an amount which is equal to or greater than an amount computed pursuant to the following:

If the average equalized mill rate of the city or town is ten or less, the final state aid factor of the city or town shall be at least equal to the amount which the city or town received pursuant to clause (a) for 1980, plus the sum of \$1 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the final state aid factor for the city or town shall be at least equal to the amount which the city or town received pursuant to clause (a) for 1980, plus the sum of \$4 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than 20, the final state aid factor for the city or town shall be at least equal to the amount which the city or town received pursuant to clause (a) for 1980, plus the sum of \$6 multiplied by its population as determined under section 275.53.

The final state aid factor for any city or town shall not exceed the previous year's distribution under section 477A.01 by more than the following percent: if a city received more than \$100 per capita in 1980 pursuant to clause (a) of this subdivision using the population determined pursuant to section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(iv) The amount of the distribution for which a city or town is eligible under this paragraph shall be determined as follows: For each city or town, its final state aid factor increase shall be the difference between its final state aid factor determined pursuant to this paragraph and the amount of distribution which it received pursuant to clause (a). The final state aid factor increase of each city or town shall be divided by the sum of the final state aid factor increases for all cities and towns receiving distributions under this paragraph; that quotient shall be multiplied by the amount of the increase in funds available for distribution under this paragraph over the amount distributed under clause (a),

paragraphs (2) and (3). That product, plus the distribution the city or town received pursuant to clause (a), shall equal the distribution to be distributed to the city or town for 1981.

(v) The final distribution made to each city or town pursuant to this paragraph shall be in an amount which is at least equal to the distribution received by that city or town for 1980 pursuant to clause (a), but which does not exceed the amount of the city's or town's 1980 distribution by more than the following percent: if a city received more than \$100 per capita in 1980 pursuant to clause (a) of this subdivision using the population determined pursuant to section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(vi) If the amounts distributed to a city or town by paragraph (iv) is limited by paragraph (v) the distribution to other cities and towns who receive aid under paragraph (2) shall be proportionately increased as necessary to absorb the difference. In no event shall a city's or town's distribution exceed the city's or town's 1980 distribution by more than the following percent: if a city received more than \$100 per capita in 1980 pursuant to clause (a) of this subdivision using the population determined pursuant to section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent."

Page 5, line 4, before the period insert "*and for which approval of the exemption has been granted prior to August 1, 1985*"

Renumber the remaining section and underscore all the new language in the bill

Amend the title as follows:

Page 1, line 4, after "facilities" insert "; requiring an adjustment of the EARC valuation; adjusting the local government aid formula; amending Minnesota Statutes 1978, Section 124.212, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 477A.01, Subdivision 4"

And when so amended the bill do pass. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 2244, 2113, 2263, 1835, 1655 and 1618 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 1778, 593, 1798, 2119, 1846, 2222, 2287, 2135, 1931, 2051 and 1892 were read the second time.

H. F. Nos. 1207, 1837, 1996, 2028 and 1871 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### **MOTIONS AND RESOLUTIONS**

Mr. Solon moved that the names of Mrs. Staples, Mr. Vega and Mrs. Brataas be added as co-authors to S. F. No. 1944. The motion prevailed.

Mr. Anderson moved that H. F. No. 1451 be withdrawn from the Committee on Agriculture and Natural Resources and referred to the Committee on Rules and Administration for comparison with S. F. No. 2291 now in the Subcommittee on Bill Scheduling. The motion prevailed.

Mr. Setzepfandt introduced—

Senate Resolution No. 50: A Senate resolution relating to extending congratulations to the Bird Island-Lake Lillian High School football team for winning the Class C State Championship and the basketball team for winning the Class A State Basketball Championship.

Referred to the Committee on Rules and Administration.

#### **CONFIRMATION**

Mr. Laufenburger moved that the report from the Committee on Employment, reported March 14, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Laufenburger moved that the foregoing report be now adopted. The motion prevailed.

Mr. Laufenburger moved that in accordance with the report from the Committee on Employment, reported March 14, 1980, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### **WORKERS' COMPENSATION COURT OF APPEALS**

Paul V. Rieke, 13403 Washburn Avenue South, Burnsville, Dakota County, effective September 17, 1979, for a term expiring September 17, 1985.

John C. Wallraff, 47 32 Avenue NW, New Brighton, Ramsey County, effective November 28, 1979, for a term expiring November 28, 1985.

#### **OCCUPATIONAL SAFETY AND HEALTH REVIEW BOARD**

Dan W. Gustafson, 2932 Jersey Avenue North, Minneapolis,

Hennepin County, effective February 8, 1980, for a term expiring the first Monday in January, 1984.

The motion prevailed. So the appointments were confirmed.

Mr. McCutcheon moved that S. F. No. 364 be taken from the table. The motion prevailed.

S. F. No. 364: A bill for an act relating to peace officers; requiring uniform colors and identification for law enforcement motor vehicles and uniforms of peace officers and security guards; amending Minnesota Statutes 1978, Section 169.98.

Mr. McCutcheon moved that the Senate do not concur in the amendments by the House to S. F. No. 364 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

#### CONFIRMATION

Mr. Perpich moved that the report from the Committee on Health, Welfare and Corrections, reported March 10, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Perpich moved that the foregoing report be now adopted. The motion prevailed.

Mr. Perpich moved that in accordance with the report from the Committee on Health, Welfare and Corrections, reported March 10, 1980, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### CORRECTIONS BOARD

James H. Bruton, Jr., 2179 Birch Street, White Bear Lake, Ramsey County, effective September 26, 1979, for a term expiring the first Monday in January, 1980, and for a term effective January 7, 1980, expiring the first Monday in January, 1986.

Henry Greencrow, 699 Ohio, St. Paul, Ramsey County, effective July 16, 1979, for a term expiring the first Monday in January, 1980, and for a term effective January 7, 1980, expiring the first Monday in January, 1986.

The motion prevailed. So the appointments were confirmed.

#### RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

#### CALENDAR

H. F. No. 1666: A bill for an act relating to transportation;

repealing a certain administrative rule of the department of transportation enforcing parallel parking on certain streets and highways.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Barrette	Hanson	Luther	Pillsbury	Stokowski
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Tennessee
Chmielewski	Johnson	Moe	Rued	Ueland, A.
Coleman	Keefe, J.	Nelson	Schaaf	Ulland, J.
Davies	Keefe, S.	Nichols	Schmitz	Vega
Dieterich	Kirchner	Ogdahl	Setzepfandt	Wegener
Dunn	Kleinbaum	Olhoff	Sieloff	Willet
Engler	Knaak	Omann	Sikorski	
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

H. F. No. 1656: A bill for an act relating to motor vehicles; providing for delivery of motor vehicle certificates of title to owners upon satisfaction of a security interest; amending Minnesota Statutes 1978, Section 168A.20, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Lessard	Peterson	Staples
Bang	Gunderson	Luther	Pillsbury	Stokowski
Barrette	Hanson	McCutcheon	Purfeerst	Stumpf
Bernhagen	Humphrey	Menning	Renneke	Tennessee
Brataas	Johnson	Moe	Rued	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Schaaf	Ulland, J.
Coleman	Keefe, S.	Nichols	Schmitz	Vega
Davies	Kirchner	Ogdahl	Setzepfandt	Wegener
Dieterich	Kleinbaum	Olhoff	Sieloff	Willet
Dunn	Knaak	Omann	Sikorski	
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1658: A bill for an act relating to intoxicating liquor; permitting holders of both on-sale wine and on-sale non-intoxicating malt beverages licenses to sell intoxicating malt beverages; amending Minnesota Statutes 1978, Section 360.11, Subdivision 20.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 42 and nays 15, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	McCutcheon	Schaaf	Tennessee
Bang	Humphrey	Moe	Schmitz	Ueland, A.
Barrette	Johnson	Nelson	Setzepfandt	Ulland, J.
Brataas	Keefe, J.	Nichols	Sikorski	Vega
Coleman	Keefe, S.	Ogdahl	Solon	Wegener
Davies	Kleinbaum	Penny	Spear	Willet
Dieterich	Knaak	Perpich	Staples	
Dunn	Knoll	Pillsbury	Stokowski	
Gearty	Luther	Purfeerst	Stumpf	

Those who voted in the negative were:

Bernhagen	Frederick	Kirchner	Olhoft	Renneke
Chmielewski	Gunderson	Lessard	Omann	Rued
Engler	Jensen	Menning	Peterson	Sieloff

So the bill passed and its title was agreed to.

S. F. No. 1837: A bill for an act relating to elections; providing for towns to set their own hours for town elections; requiring polls to be open at least three hours; amending Minnesota Statutes 1978, Section 205.03, Subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Perpich	Spear
Bang	Hanson	Lessard	Peterson	Staples
Barrette	Humphrey	Luther	Pillsbury	Stokowski
Bernhagen	Jensen	McCutcheon	Purfeerst	Strand
Brataas	Johnson	Menning	Renneke	Stumpf
Chmielewski	Keefe, J.	Moe	Rued	Tennessee
Coleman	Keefe, S.	Nelson	Schaaf	Ueland, A.
Davies	Kirchner	Nichols	Schmitz	Ulland, J.
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Vega
Dunn	Knaak	Olhoft	Sieloff	Wegener
Engler	Knoll	Omann	Sikorski	Willet
Frederick	Knutson	Penny	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1322: A bill for an act relating to local government; providing for municipal planning; authorizing regulation of subdivisions; providing a penalty; amending Minnesota Statutes 1978, Sections 462.351; 462.352, by adding subdivisions; 462.355, Subdivision 4; 462.358, by adding subdivisions; 462.36, Subdivision 1; 505.14; repealing Minnesota Statutes 1978, Sections 462.352, Subdivision 4; and 462.358, Subdivisions 1, 2, 3 and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Peterson	Stokowski
Bang	Gunderson	Lessard	Pillsbury	Strand
Barrette	Hanson	Luther	Purfeerst	Stumpf
Benedict	Humphrey	McCutcheon	Renneke	Tennessee
Bernhagen	Jensen	Menning	Rued	Ueland, A.
Brataas	Johnson	Moe	Schaaf	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Schmitz	Vega
Coleman	Keefe, S.	Nichols	Setzpfandt	Wegener
Davies	Kirchner	Ogdahl	Sieloff	Willet
Dieterich	Kleinbaum	Olhoff	Sikorski	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

S. F. No. 769: A bill for an act relating to security guards; providing for the certification and training of security guards; setting forth criteria for the use of deadly force by security guards; prescribing penalties; amending Minnesota Statutes 1978, Sections 326.32, by adding a subdivision; 326.33, Subdivision 1; 326.331; 326.332, Subdivision 1; 326.333; 326.336, Subdivisions 1 and 2, and by adding subdivisions; 326.337, Subdivision 1; and 326.338, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Omann	Sikorski
Bang	Gearty	Knutson	Penny	Solon
Barrette	Gunderson	Laufenburger	Perpich	Spear
Benedict	Hanson	Lessard	Peterson	Staples
Bernhagen	Humphrey	Luther	Pillsbury	Stokowski
Brataas	Jensen	McCutcheon	Purfeerst	Strand
Chmielewski	Johnson	Menning	Renneke	Stumpf
Coleman	Keefe, J.	Moe	Rued	Tennessee
Davies	Keefe, S.	Nelson	Schaaf	Ueland, A.
Dieterich	Kirchner	Nichols	Schmitz	Ulland, J.
Dunn	Kleinbaum	Ogdahl	Setzpfandt	Vega
Engler	Knaak	Olhoff	Sieloff	Willet

So the bill passed and its title was agreed to.

S. F. No. 1633: A bill for an act relating to veterans; modifying the duties, authority and scope of operations of the department of veterans affairs; authorizing the commissioner of veterans affairs to accept uncompensated voluntary services; entitling uncompensated voluntary workers to the benefits of workers' compensation; providing for the appointment of the commissioner of veterans affairs as the guardian of an estate; revising the veterans home

eligibility requirements; amending Minnesota Statutes 1978, Sections 196.05; 196.051; 197.06; 198.01; and Minnesota Statutes, 1979 Supplement, Section 176.011, Subdivision 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Peterson	Stokowski
Bang	Gunderson	Lessard	Pillsbury	Strand
Barrette	Hanson	Luther	Purfeerst	Stumpf
Benedict	Humphrey	McCutcheon	Renneke	Tennessee
Bernhagen	Jensen	Menning	Rued	Ueland, A.
Brataas	Johnson	Moe	Schaaf	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Schmitz	Vega
Coleman	Keefe, S.	Nichols	Setzepfandt	Wegener
Davies	Kirchner	Ogdahl	Sieloff	Willet
Dieterich	Kleinbaum	Olhoft	Sikorski	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1641: A bill for an act relating to drivers licenses; increasing fees for renewal of motorized bicycle operator permits and fees for drivers licenses; establishing a fee for the Minnesota identification card; providing for uniform application fees; amending Minnesota Statutes 1978, Sections 171.06, Subdivisions 1, 2, and 4; 171.07, Subdivision 3; and Minnesota Statutes, 1979 Supplement, Section 171.02, Subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Gearty	Knutson	Penny	Solon
Barrette	Gunderson	Laufenburger	Perpich	Spear
Benedict	Hanson	Lessard	Peterson	Staples
Bernhagen	Humphrey	Luther	Pillsbury	Stokowski
Brataas	Jensen	McCutcheon	Purfeerst	Strand
Chmielewski	Johnson	Menning	Renneke	Stumpf
Coleman	Keefe, J.	Moe	Rued	Tennessee
Davies	Keefe, S.	Nelson	Schaaf	Ueland, A.
Dieterich	Kirchner	Nichols	Schmitz	Ulland, J.
Dunn	Kleinbaum	Ogdahl	Setzepfandt	Vega
Engler	Knaak	Olhoft	Sieloff	Wegener
Frederick	Knoll	Omann	Sikorski	Willet

So the bill passed and its title was agreed to.

S. F. No. 1854: A bill for an act relating to commerce; clarifying the definition of a "sale of goods" as it applies to consumer

credit sales to make it clear that it includes certain terminable bailments or leases; clarifying the interests of the respective parties; providing for a certain contract provision; amending Minnesota Statutes 1978, Sections 325.94, Subdivision 5; and 325.941, by adding subdivisions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Humphrey	Luther	Pillsbury	Stokowski
Bernhagen	Jensen	McCutcheon	Purfeerst	Strand
Brataas	Johnson	Menning	Renneke	Stumpf
Chmielewski	Keefe, J.	Moe	Rued	Tennessee
Davies	Keefe, S.	Nelson	Schaaf	Ueland, A.
Dieterich	Kirchner	Nichols	Schmitz	Ulland, J.
Dunn	Kleinbaum	Ogdahl	Setzepfandt	Vega
Engler	Knaak	Olhoft	Sieloff	Wegener
Frederick	Knoll	Omann	Sikorski	Willet

So the bill passed and its title was agreed to.

S. F. No. 1132: A bill for an act relating to financial institutions; authorizing securities for investment of deposits of savings banks and other financial institutions and for deposit to secure deposits of public funds; amending Minnesota Statutes 1978, Sections 50.14, Subdivision 4; and 118.01.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Peterson	Stokowski
Bang	Gunderson	Lessard	Pillsbury	Strand
Barrette	Hanson	Luther	Purfeerst	Stumpf
Benedict	Humphrey	McCutcheon	Renneke	Tennessee
Bernhagen	Jensen	Menning	Rued	Ueland, A.
Brataas	Johnson	Moe	Schaaf	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Schmitz	Vega
Coleman	Keefe, S.	Nichols	Setzepfandt	Wegener
Davies	Kirchner	Ogdahl	Sieloff	Willet
Dieterich	Kleinbaum	Olhoft	Sikorski	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1398: A bill for an act relating to accountancy; providing for the licensing of public accountants; clarifying the

law; amending Minnesota Statutes 1978, Sections 326.19, Subdivisions 3 and 4, and by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 326.165, Subdivisions 1 and 2; 326.17; 326.18; 326.19, Subdivision 2; 326.211, Subdivisions 3 and 9; 326.212, Subdivision 2; and Laws 1979, Chapter 326, Section 16.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Peterson	Stokowski
Bang	Gunderson	Lessard	Pillsbury	Strand
Barrette	Hanson	Luther	Purfeerst	Stumpf
Benedict	Humphrey	McCutcheon	Renneke	Tennesen
Bernhagen	Jensen	Menning	Rued	Ueland, A.
Brataas	Johnson	Moe	Schaaf	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Schmitz	Vega
Coleman	Keefe, S.	Nichols	Setzepfandt	Wegener
Davies	Kirchner	Ogdahl	Sieloff	Willet
Dieterich	Kleinbaum	Olhoff	Sikorski	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

#### REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1763, 2220, 1699, 2117, 2201, 1415, 1157, 2152, 2226, 1853, 2317, 1749, 140, 2047, 1648, 2197, 1085, 2062, 2348, 251, 1255, 1649, 2092, 1021, 1235 and 2210 makes the following report:

That the above Senate Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

#### CONSENT CALENDAR

H. F. No. 1932: A bill for an act relating to Independent School District No. 535, Rochester; providing that its school board may organize at a time other than the time required for the organization of the board of an independent district; amending Laws 1969, Chapter 193, Section 3, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Penny	Solon
Bang	Gearty	Knutson	Perpich	Spear
Barrette	Gunderson	Laufenburger	Peterson	Staples
Benedict	Hanson	Lessard	Pillsbury	Stokowski
Bernhagen	Humphrey	Luther	Purfeerst	Strand
Brataas	Jensen	McCutcheon	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Tennessee
Coleman	Keefe, J.	Nelson	Schaaf	Ueland, A.
Davies	Keefe, S.	Nichols	Schmitz	Ulland, J.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Vega
Dunn	Kleinbaum	Olhoff	Sieloff	Wegener
Engler	Knaak	Omann	Sikorski	Willet

So the bill passed and its title was agreed to.

S. F. No. 1847: A bill for an act relating to Blue Earth County; authorizing the county to contract for the completion of the improvement of county ditch No. 27; setting limits on the expenditure of money for the improvement; providing for financing; amending Laws 1975, Chapter 249, Section 1, Subdivision 1, as amended; and Section 2, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Perpich	Spear
Bang	Gearty	Knutson	Peterson	Staples
Barrette	Gunderson	Laufenburger	Pillsbury	Stokowski
Benedict	Hanson	Luther	Purfeerst	Strand
Bernhagen	Humphrey	McCutcheon	Renneke	Stumpf
Brataas	Jensen	Moe	Rued	Tennessee
Chmielewski	Johnson	Nelson	Schaaf	Ueland, A.
Coleman	Keefe, J.	Nichols	Schmitz	Ulland, J.
Davies	Keefe, S.	Ogdahl	Setzepfandt	Vega
Dieterich	Kirchner	Olhoff	Sieloff	Wegener
Dunn	Kleinbaum	Omann	Sikorski	
Engler	Knaak	Penny	Solon	

So the bill passed and its title was agreed to.

H. F. No. 2012: A bill for an act relating to motor vehicles; authorizing personalized license plates bearing radio or television station call signals or letters; amending Minnesota Statutes 1978, Section 168.12, Subdivision 2a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knutson	Peterson	Staples
Bang	Gearty	Laufenburger	Pillsbury	Stokowski
Barrette	Gunderson	Lessard	Purfeerst	Strand
Benedict	Hanson	Luther	Renneke	Stumpf
Bernhagen	Humphrey	Moe	Rued	Ueland, A.
Brataas	Jensen	Nelson	Schaaf	Ulland, J.
Chmielewski	Johnson	Nichols	Schmitz	Vega
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Wegener
Davies	Kirchner	Olhoff	Sieloff	Willet
Dieterich	Kleinbaum	Omann	Sikorski	
Dunn	Knaak	Penny	Solon	
Engler	Knoll	Perpich	Spear	

Messrs. Keefe, J. and Tennesen voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1963: A bill for an act relating to taxation; property tax administration; eliminating mandatory assessors meetings; amending Minnesota Statutes 1978, Sections 273.03, Subdivision 1; 273.04; and Minnesota Statutes, 1979 Supplement, Sections 270.06; and 273.061, Subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Penny	Solon
Bang	Gearty	Knutson	Perpich	Spear
Barrette	Gunderson	Laufenburger	Peterson	Staples
Benedict	Hanson	Lessard	Pillsbury	Stokowski
Bernhagen	Humphrey	Luther	Purfeerst	Strand
Brataas	Jensen	McCutcheon	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Tennesen
Coleman	Keefe, J.	Nelson	Schaaf	Ueland, A.
Davies	Keefe, S.	Nichols	Schmitz	Ulland, J.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Vega
Dunn	Kleinbaum	Olhoff	Sieloff	Wegener
Engler	Knaak	Omann	Sikorski	Willet

So the bill passed and its title was agreed to.

#### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 1700, 1995, 1797, 1985 and H. F. Nos. 1601, 1427, 711 and 1453, which the committee recommends to pass.

S. F. No. 1903, which the committee recommends to pass with the following amendment offered by Mr. Johnson:

Page 2, line 11, after "provision" insert "*adopted pursuant to this subdivision*"

Page 4, line 4, after "regulation" insert "*adopted pursuant to this subdivision*"

Page 5, after line 31, insert:

"Sec. 5. [CONSERVATION OF BIOMASS FUEL, FIREWOOD.] *In any instance where trees or portions of trees usable as firewood are removed from property under the control of a public utility, pipeline company, railroad, state agency or department, or a political subdivision, that portion of the tree material that is six inches or larger in diameter shall not be destroyed by open burning or deposited in a landfill without first having been offered for use to the public, subject to the approval of the landowner or landowners involved. This section shall not apply to tree material removed in a program of sanitation or disease control, as defined in Minnesota Statutes, 1979 Supplement, Section 18.023.*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, after "production;" insert "prohibiting the destruction of certain biomass usable as fuel;"

The motion prevailed. So the amendment was adopted.

H. F. No. 1623, which the committee recommends to pass, subject to the following motion:

Mr. Keefe, S. moved that the amendment made to H. F. No. 1623 by the Committee on Rules and Administration in the report adopted March 12, 1980, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S. F. No. 2094, which the committee recommends to pass with the following amendment offered by Mr. Peterson:

Page 2, delete section 3

Page 5, after line 20, insert:

"Sec. 11. Minnesota Statutes 1978, Section 101.41, Subdivision 2, is amended to read:

Subd. 2. Except as otherwise provided, the following fish may be taken only by angling with a single line except that not more than two lines and two baits may be used to take fish through the ice, transported and possessed, subject to all other provisions of chapters 97 to 102, between the dates set opposite each species:

Species

Large and small mouthed black bass

Dates—May 15th and Feb. 15th the third Monday in February

**Trout**

Dates—As the commissioner may by order prescribe between Jan. 1st and Oct. 31st

**Lake trout (land-locked salmon)**

Dates—Jan. 1st and Oct. 31st

**Wall-eyed pike**

Dates—May 15th and Feb. 15th the third Monday in February

**Sauger (sand pike)**

Dates—May 15th and Feb. 15th the third Monday in February

**Great Northern pike and pickerel**

Dates—May 15th and Feb. 15th the third Monday in February

**Muskellunge**

Dates—May 15th and Feb. 15th the third Monday in February

**Rock bass and white bass**

Dates—No closed season

**Crappies**

Dates—No closed season

**Sunfish and blue gill**

Dates—No closed season

**Catfish**

Dates—No closed season

**Bullheads**

Dates—No closed season

Carp, dogfish, redhorse, sheepshead, suckers, eelpout, garfish, perch, whitefish, tullibeas, buffalofish

Dates—No closed season”

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 12, after “claws;” insert “altering the end date of certain fishing seasons;”

Page 1, lines 15 and 16, delete “97.48, Subdivision 23;”

Page 1, line 18, after “100.30;” insert “101.41, Subdivision 2;”

The motion prevailed. So the amendment was adopted.

S. F. No. 2109, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 1, line 22, delete “may” and insert “shall”

Page 1, line 23, after “of” insert “a”

Page 1, line 23, delete “bridges” and insert “bridge”

Page 1, line 23, delete "*on county highways or county*"

Page 2, line 1, delete everthing before "*located*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 1:00 o'clock p.m., Tuesday, March 18, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**EIGHTY-FIRST DAY**

St. Paul, Minnesota, Tuesday, March 18, 1980

The Senate met at 1:00 o'clock p.m. and was called to order by the President.

**CALL OF THE SENATE**

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Gerty	Laufenburger	Pillsbury	Stokowski
Ashbach	Gunderson	Lessard	Purfeerst	Strand
Bang	Hanson	Luther	Schaaf	Stumpf
Barrette	Humphrey	Menning	Schmitz	Tennessee
Benedict	Jensen	Nelson	Setzpfandt	Ulland, J.
Chmielewski	Johnson	Nichols	Sieloff	Vega
Coleman	Keefe, S.	Olson	Sikorski	Wegener
Davies	Kirchner	Omman	Solon	Willet
Dunn	Kleinbaum	Penny	Spear	
Engler	Knaak	Perpich	Staples	
Frederick	Knutson	Peterson	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Winfield Johnson.

The roll was called, and the following Senators answered to their names:

Anderson	Gerty	Laufenburger	Pillsbury	Stokowski
Ashbach	Gunderson	Lessard	Purfeerst	Strand
Bang	Hanson	Luther	Renneke	Stumpf
Barrette	Humphrey	McCutcheon	Rued	Tennessee
Benedict	Jensen	Moe	Schaaf	Ulland, A.
Bernhagen	Johnson	Nelson	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nichols	Setzpfandt	Vega
Coleman	Keefe, S.	Ogdahl	Sieloff	Wegener
Davies	Kirchner	Olhoff	Sikorski	Willet
Dieterich	Kleinbaum	Omman	Solon	
Dunn	Knaak	Penny	Spear	
Engler	Knoll	Perpich	Staples	
Frederick	Knutson	Peterson	Stern	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

**MEMBERS EXCUSED**

Messrs. Hughes, Merriam and Sillers were excused from the Session of today. Messrs. Nelson and Olhoff were excused from the Session of today at 3:00 o'clock p.m. Mrs. Brataas was excused from the Session of today from 1:30 to 2:30 o'clock p.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Messrs. Dieterich, Sieloff and Sikorski introduced—

S. F. No. 2390: A bill for an act relating to education; establishing procedures for the regulation of school bus drivers who might be under the influence of alcohol or a controlled substance.

Referred to the Committee on Education.

Mr. Humphrey introduced—

S. F. No. 2391: A bill for an act relating to retirement; including employees of the Suburban Public Health Nursing Services in the membership of the public employees retirement association; amending Minnesota Statutes, 1979 Supplement, Section 353.01, Subdivision 2a.

Referred to the Committee on Governmental Operations.

Mr. Humphrey introduced—

S. F. No. 2392: A bill for an act relating to education; authorizing the rental or lease of vacant classrooms in operating school-houses; requiring school boards to adopt written policies governing certain rentals, or leases; providing for a district advisory committee; amending Minnesota Statutes 1978, Section 123.36, Subdivision 10, and by adding a subdivision.

Referred to the Committee on Education.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

March 17, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 693, 482 and 998.

Sincerely yours,  
Albert H. Quie, Governor

March 18, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 888, 824, 1114, 1438 and 1625.

Sincerely yours,  
Albert H. Quie, Governor

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 759 and 1609.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1745: A bill for an act relating to counties; providing for publication and examination of accounts; amending Minnesota Statutes, 1979 Supplement, Section 375.17.

Senate File No. 1745 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Laufenburger moved that the Senate concur in the amendments by the House to S. F. No. 1745 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1745 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Pillsbury	Strand
Ashbach	Gunderson	Luther	Rued	Stumpf
Bang	Hanson	Mønning	Schaaf	Tennesen
Barrette	Humphrey	Moe	Schmitz	Ueland, A.
Benedict	Jensen	Nelson	Setzepfandt	Ulland, J.
Bernhagen	Johnson	Nichols	Sieloff	Vega
Chmielewski	Keefe, S.	Olhoff	Sikorski	Wegener
Coleman	Kirchner	Olson	Solqn	Willet
Davies	Kleinbaum	Omann	Spear	
Dieterich	Knaak	Penny	Staples	
Dunn	Knutson	Perpich	Stern	
Frederick	Laufenburger	Peterson	Stokowski	

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1723, 1731, 1987, 2077, 1781 and 2152.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1980

#### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 1723: A bill for an act relating to snowmobiles; authorizing use in trapping related activities in certain counties; amending Minnesota Statutes, 1979 Supplement, Section 100.29, Subdivision 30.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1858 now on General Orders.

H. F. No. 1731: A bill for an act relating to labor; regulating certain steam engines and boilers and steam engine and boiler operators; amending Minnesota Statutes 1978, Chapter 183, by adding a section.

Referred to the Committee on Employment.

H. F. No. 1987: A bill for an act relating to local government; regulating financial reports of certain municipal hospitals and nursing homes; amending Minnesota Statutes, 1979 Supplement, Sections 471.697, Subdivision 1; and 471.698, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2192 now on General Orders.

H. F. No. 2077: A bill for an act relating to public welfare; clarifying zoning requirements for licensed residential facilities; increasing the required distances between certain facilities; amend-

ing Minnesota Statutes 1978, Sections 245.812, Subdivision 2; and 252.28, Subdivision 3.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 1781: A bill for an act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain powers and duties to school districts, the commissioner of education, the department of education and others; aid for education of pupils of limited English proficiency; requiring the establishment of local policies to minimize chemical use problems; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 121.88, by adding a subdivision; 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 122.531, by adding subdivisions; 123.11, Subdivision 7; 123.36, by adding a subdivision; 123.39, Subdivision 3; 123.932, Subdivision 9, and by adding a subdivision; 124.20; 124.214, Subdivision 2; 124.572, Subdivision 7; 126.07; 126.36, Subdivision 3; 126.52, Subdivision 5, and by adding a subdivision; 126.54, Subdivisions 5 and 6; 127.09; 127.11; 127.21; 134.03; 134.08; 275.125, Subdivisions 5 and 5a; 354.05, Subdivision 2; Chapter 124, by adding a section; Chapter 125, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 120.075, Subdivision 4, and by adding a subdivision; 121.912, Subdivision 1; 122.541, Subdivision 5; 123.35, Subdivision 15; 124.01; 124.11, Subdivisions 2a and 2b, and by adding a subdivision; 124.19, Subdivision 4; 124.212, Subdivision 7d; 124.223; 124.225; 124.245, Subdivisions 1 and 2; 124.247, Subdivisions 3 and 4; 126.54, Subdivision 1; 124.561, Subdivision 3a; 124.562, Subdivisions 2, 3 and 4; 124.5621, Subdivision 11; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 6; 124.566; 124.572, Subdivision 2; 275.125, Subdivisions 2a, 2b, 7a, 7b, 11a and 20; 353.01, Subdivision 2b; 354A.011, Subdivision 27; 465.72; Laws 1979, Chapter 69, Sections 2 and 5; Chapter 334, Article VI, Section 35, Subdivision 9; Article VIII, Section 29; repealing Minnesota Statutes 1978, Sections 122.531, Subdivision 3; 125.61, as amended; 126.31 to 126.35; 126.36, Subdivisions 5 and 6; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8 and 9; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6 and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6 and 7; 127.22; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 29.

Referred to the Committee on Finance.

H. F. No. 2152: A bill for an act relating to Carver county; applying the provisions of the municipal housing and redevelopment act to Carver county; providing for local approval of projects.

Referred to the Committee on Local Government.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk

be now adopted with the exception of the report on H. F. No. 1513. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 2114: A bill for an act relating to the legislature; establishing a temporary joint legislative study commission and empowering it to examine the educational programs for primary patient care of the University of Minnesota Medical School; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, before the period, insert "and the cost and funding sources for residency programs at teaching hospitals"

Page 2, lines 15, 19, 24, 27 and 31, delete "and,"

Page 3, lines 1, 5 and 8, delete "and,"

Page 3, after line 8, insert:

"(i) The cost and funding sources of residency programs at teaching hospitals, including an analysis of the need for increased state funding of residency programs;"

Page 3, line 9, delete "(i)" and insert "(j)"

Page 3, line 11, delete the comma

Page 3, line 12, delete "(j)" and insert "(k)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1933: A bill for an act relating to public employees; clarifying the definition of public employees; amending Minnesota Statutes 1978, Section 179.63, Subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete "*This exclusion*" and insert "*The exclusions of paragraphs (e) and (f) of this subdivision*"

Page 2, line 3, delete "other"

Page 2, line 4, delete "employees" and insert "teachers"

Page 2, line 6, after "subdivision" insert "*where the replacement employee is employed more than 30 consecutive working days as a replacement*"

Page 2, line 8, after "expansion" insert "*, courses which are a part of the curriculum whether offered annually or not,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2253: A bill for an act relating to state agencies; altering certain procedures of the capitol area architectural and planning board; adding members to the board; appropriating money; amending Minnesota Statutes 1978, Section 15.50, Subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 16, after "*whom*" insert "*, by not later than January 1, 1984,*"

Page 2, line 16, after "*district*" insert "*seven*"

Page 4, line 5, before the period insert "*significantly affecting the dignity, beauty and architectural integrity of the area*"

Page 4, line 6, after "*undertake*" insert "*these*"

Page 4, line 6, after "*activities*" insert "*as defined in the board's rules*"

Page 4, line 7, delete "*complete*"

Page 8, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1978, Section 16.02, Subdivision 10, is amended to read:

Subd. 10. To rent land and other premises when necessary for state purposes. ~~No such land or premises shall be rented for a term exceeding two years at a time, except that with the approval of the legislative advisory commission,~~ The commissioner may lease land or premises for a term not exceeding five years, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use; provided further that the rental of non-state owned land and buildings, or substantial portions thereof, by the commissioner within the capitol area as defined in section 15.50 shall not take place unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for a term not exceeding five years ~~without the approval of the legislative advisory commission,~~ such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use."

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

Page 1, line 6, delete "Section" and insert "Sections"

Page 1, line 6, before the period insert "; and 16.02, Subdivision 10"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1800: A bill for an act relating to health care; regulating benefits made available under certain health care plans; requiring coverage for reconstructive surgery under certain conditions; amending Minnesota Statutes 1978, Section 62E.06, Subdivision 1, as amended, and Chapter 62A, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, before the period insert "*but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage*"

Page 2, after line 4, insert:

"Sec. 2. Minnesota Statutes 1978, Section 62A.149, Subdivision 1, is amended to read:

62A.149 [BENEFITS FOR ALCOHOLICS AND DRUG DEPENDENTS.] Subdivision 1. The provisions of this section shall apply to all group policies of accident and health insurance and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, and to a plan or policy that is individually underwritten or provided for a specific individual and the members of his family as a nongroup policy unless the individual elects in writing to refuse benefits under this subdivision in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan, when the policies or subscriber contracts are issued or delivered in Minnesota or provide benefits to Minnesota residents enrolled thereunder. *This section does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis or policies that provide accident only coverage.*

Every insurance policy or subscriber contract included within the provisions of this subdivision, upon issuance or renewal, shall provide for payment of benefits for the treatment of alcoholism, chemical dependency or drug addiction to any Minnesota resident entitled to coverage thereunder on the same basis as coverage for other benefits when treatment is rendered in

(1) a licensed hospital,

(2) a residential treatment program as licensed by the state of Minnesota pursuant to diagnosis or recommendation by a doctor of medicine,

(3) a non-residential treatment program approved or licensed by the state of Minnesota."

Page 2, line 5, delete "1978" and insert ", 1979 Supplement,"

Page 2, line 6, delete "as amended by Laws 1979, Chapter 272,"

Page 2, line 7, delete "Section 5."

Page 5, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "exempting certain policies from requiring benefits for alcoholism, chemical dependency or drug addiction;"

Page 1, line 6, after "Section" insert "62A.149, Subdivision 1; Chapter 62A, by adding a section; and Minnesota Statutes, 1979 Supplement, Section"

Page 1, lines 6 and 7, delete everything after "1" and insert a period

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

H. F. No. 2374: A bill for an act relating to the state ceremonial building; creating the state ceremonial building board; amending Minnesota Statutes 1978, Section 16.872.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete "board" and insert "council"

Page 2, line 3, delete "board" and insert "council"

Page 2, line 18, delete "board" and insert "council"

Page 2, line 21, delete "board" and insert "council"

Page 2, line 23, delete "board" and insert "council"

Page 2, line 27, delete "board" and insert "council"

Page 2, line 33, delete "board" and insert "council"

Page 3, line 5, delete "board" in both cases and insert "council"

Amend the title as follows:

Page 1, line 4, delete "board" and insert "council"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2307: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey the interests of the state in certain lands in Kandiyohi county for the purpose of correcting conveyancing errors.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1134: 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 1978, Section 344.03, Subdivision 1; and Chapter 344, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, delete "*after viewing the land,*"

Page 2, line 2, after "*viewers*" insert "*after viewing the land*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2354: A bill for an act relating to pollution control; authorizing state use of up to two percent of federal construction grant funds to administer the federal water pollution control act; amending Minnesota Statutes 1978, Section 116.16, Subdivision 10.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2351: A bill for an act relating to waters; providing for watercraft licensing and safe operation; altering certain definitions; changing license fees; authorizing a temporary certificate; stating the evidentiary effect of certain blood tests; altering certain safety requirements and motor noise limits; providing an outline for distributing water safety enforcement funds; amending Minnesota Statutes 1978, Sections 361.02, Subdivision 7, and by adding a subdivision; 361.03, Subdivisions 3 and 12, and by adding a subdivision; 361.10; 361.12; 361.13, Subdivision 1; 361.141, Subdivision 1; 361.15, Subdivision 1; 361.16, Subdivision 1; 361.17; 361.18; 361.21, Subdivision 2, and by adding a subdivision; 361.215; 361.24; 361.27, Subdivision 1; and 361.29, Subdivision 4; repealing Minnesota Statutes 1978, Section 361.15, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2

Page 2, line 10, delete "1978" and insert "1980"

Page 2, after line 32, insert:

"(a) rental boats 19 feet in length or less, \$6 each;"

Page 3, line 1, delete "\$7.50" and insert "\$7"

Page 3, line 3, delete "\$10" and insert "\$12"

Reletter the clauses in sequence

Pages 3 to 15, delete sections 4 to 20

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to waters; changing watercraft license fees; amending Minnesota Statutes 1978, Section 361.03, Subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 2385: A bill for an act relating to the legislative auditor; clarifying access to data; amending Minnesota Statutes 1978, Section 3.97, by adding subdivisions.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was re-referred

S. F. No. 1666: A bill for an act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and others; modifying certain responsibilities of the Minnesota educational computing consortium; modifying the method for districts to qualify for certain levies; changing the method of computing transportation aid and post-secondary vocational aid; changing the school age for certain handicapped children; providing an aid for individualized instructional materials; establishing certain programs; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 120.17, Subdivision 1; 121.90; 121.912, by adding a subdivision; 123.36, Subdivision 10, and by adding a subdivision; 123.932, by adding a subdivision; 123.933; 124.11, by adding a subdivision; 124.214, Subdivision 2; 124.48; 124.565, by adding a subdivision; 126.07; 134.03; 275.125, Subdivisions 5 and 5a; 298.28, Subdivision 1; Chapters 121, by adding sections; 123, by adding a section; and 124, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 16.93; 121.92, Subdivision 2; 122.541, Subdivision 5; 123.937; 124.11, Subdivisions 2a and 2b; 124.223; 124.224, Subdivision 8; 124.225; 124.245, Subdivision 1; 124.271, Subdivisions 1a and 2; 124.562, Subdivisions 3 and 4; 124.5621, Subdivision 11, and by adding a subdivision; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 3; 125.61, Subdivision 3a; 126.54, Subdivision 1; 275.125, Subdivisions 7a, 8, 9, and 11a; Laws 1979, Chapter 334, Article 2, Section 15, Subdivisions 2 and 3; Laws 1980, Chapter 345, Section 17; repealing Minnesota Statutes 1978, Sections 122.85, Subdivision 7; 123.34, Subdivision 6; 126.31; 126.32; 126.33; 126.34; 126.35; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6,

7 and 11; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6, and 7; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.40, Subdivision 3; and 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 31, delete "1,"

Page 26, delete line 16

Page 27, line 31, delete "subclauses"

Page 54, after line 14, insert:

"Sec. 13. Minnesota Statutes 1978, Section 275.125, Subdivision 12, is amended to read:

Subd. 12. When a district finds it economically advantageous to rent or lease existing school buildings *or other buildings* for instructional purposes, and the proceeds of the levy permitted under section 124.04 or 275.125, subdivision 11a are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space need; and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building for approved purposes. The proceeds of this levy shall not be used for custodial or other maintenance services."

Pages 54 to 61, delete sections 13 and 14 of Article IV

Page 74, after line 31, insert:

"Sec. 13. Minnesota Statutes, 1979 Supplement, Section 465.72, is amended to read:

465.72 [SEVERANCE PAY.] Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, ~~all counties, cities, townships and school districts are hereby authorized and empowered to any county, city, township and school district may pay severance pay to all of its employees and to establish, prescribe and promulgate provisions, rules and regulations for the payment of such severance pay upon leaving to an employee who leaves employment prior to before the normal retirement date. Such~~ The severance pay shall be excluded from retirement deductions and

from any calculations in retirement benefits ; and . It shall be paid in a manner mutually agreeable to the employee and employer over a period not to exceed five years from termination of employment. In the event that If a terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. In no event shall severance pay provided for an employee except a teacher as defined in section 170.63, subdivision 13, leaving employment exceed an amount equivalent to 100 days pay. Severance pay for a teacher as defined in section 170.63, subdivision 13, shall not exceed an amount equivalent to one year of pay.

Sec. 14. Laws 1959, Chapter 690, Section 2, as amended by Laws 1963, Chapter 729, Section 1, Laws 1971, Chapter 599, Section 1, and Laws 1975, Chapter 261, Section 1, is amended to read:

Sec. 2. [ST. PAUL, CITY OF; INDEPENDENT SCHOOL DISTRICT NO. 625; EMPLOYEES SEVERANCE PAY.] The provisions, rules and regulations under any such ordinance for such payment of severance pay by said city, authorized under the foregoing provisions of section 1 hereof, shall be applicable to all employees of said city other than its elected city officials. Such severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits, and shall be paid over a period not to exceed five years from termination of employment. The amount of such severance pay allowable or to become payable in respect of any such employment or to any such employee after December 31, 1973, shall not exceed \$4,000 an amount equivalent to one year of pay.

Sec. 15. Laws 1965, Chapter 705, as amended by Laws 1975, Chapter 261, Section 4, is amended to read:

Sec. 6. The school board, for the purpose of providing moneys for the payment of its severance pay obligations under a plan approved by resolution of the district, in addition to all other powers possessed by the school district and in addition to and in excess of any existing limitation upon the amount it is otherwise authorized by law to levy as taxes, is authorized to levy taxes annually not exceeding in any one year an amount equal to two-tenths of one mill upon each dollar of the assessed valuation thereof upon all taxable property within the school district which taxes as levied shall be spread upon the tax rolls, and all corrections thereof shall be held by the school district, and allocated therefor to be disbursed and expended by the school district in payment of any public school severance pay obligations and for no other purpose. Disbursements and expenditures previously authorized on behalf of the school district for payment of severance pay obligations shall not be deemed to constitute any part of the cost of the operation and maintenance of the school district within the meaning of any statutory limitation of any school district expenditures.

The amount of such severance pay allowable or to become payable in respect of any such employment or to any such employee shall not exceed \$4,000 *an amount equivalent to one year of pay.*"

Page 75, line 8, delete "14" and insert "15"

Renumber the sections in sequence

Page 81, line 17, before "Receivables" insert a quotation mark

Amend the title as follows:

Page 1, line 14, after "programs;" insert "increasing the amount of severance pay available to public employees;"

Page 1, line 23, delete "and" and insert a comma and after "5a" insert "and 12" and delete "298.28,"

Page 1, line 24, delete "Subdivision 1;"

Page 1, line 36, after "11a;" insert "465.72; Laws 1959, Chapter 690, Section 2, as amended; Laws 1965, Chapter 705, as amended;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1616: A bill for an act relating to state employees; providing bonuses to certain state employees.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. (1) Any employees represented by the International Union of Operating Engineers, local 34, the International Union of Operating Engineers, local 49, the Independent Minnesota Association of Government Employees, the Minnesota Highway Patrol Officers Association, the Bureau of Criminal Apprehension Agents Association, the Professional Employee Pharmacists of Minnesota, the Middle Management Association, the Minnesota Conservation Officers Association, the Minnesota Highway Patrol Supervisors Association, the Minnesota Government Engineers Council, the Association of Institutional Dentists, the State Residential Schools Educational Association, the Minnesota Administrative Hearing Officers Association, the Minnesota Fire/Arson Investigation and Fire Inspectors, local 13, I.A.F.F., the Minnesota Teamsters Public and Law Enforcement Employees Union, local 310, except employees of the Department of Corrections, Minnesota Nurses Association, and the unclassified employees in the attorney general's office; or (2) any employee not represented by an exclusive bargaining representative and compensated pursuant to Minnesota Statutes, Section 43.12, or under a salary schedule established pursuant to section 43.121, subdivision 3, except (a) an emergency, project, or temporary

employee or (b) an employee compensated pursuant to section 43.12 and excluded from a bargaining unit by section 179.74, subdivision 4; or (3) any unclassified employee in the office of the attorney general, shall receive:

(1) a lump sum bonus of \$225 payable no later than March 31, 1980, provided he was employed prior to January 1, 1979, and was still employed on July 1, 1979. Provided that an otherwise eligible employee who terminated his employment on or after January 1, 1979, and prior to July 1, 1979, shall be entitled to a proportional lump sum bonus equal to one-twelfth of \$225 for each full month of employment subsequent to January 1, 1979, and prior to July 1, 1979.

(2) a lump sum bonus of \$225 payable no later than July 31, 1980, provided he was employed prior to January 1, 1980, and was still employed on July 1, 1980. However, intermittent employees and nontenured laborers who otherwise meet the employment requirements of this section shall only be eligible to receive the bonus after completion of 100 working days in any 12 month period. Part time employees who meet the employment requirements of this section shall receive a bonus of \$137.50 on each of the dates specified in this section.

An employee shall be considered to be employed on July 1, 1979, and July 1, 1980, if he is in payroll status, on approved leave of absence, or on seasonal layoff on that date. In order to receive the bonus under this section the employee must be employed by the state on the date the payment is made.

The bonus provided by this section shall not be considered as salary for the purpose of section 352.01, subdivision 13.

Anyone receiving a bonus payment pursuant to Laws 1979, Chapter 332, Sections 108 and 109, shall not be eligible for a bonus payment under this section."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1717: A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing limited annual automatic post retirement adjustments for certain newly employed, active and retired local relief association members with municipal approval.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 1, after "association" insert "specified in this section"

Page 4, line 7, delete "act" and insert "section" and after the comma insert "approves the modification in retirement coverage for newly hired personnel specified in section 2, if applicable,"

Page 4, line 8, delete "that"

Page 4, after line 22, insert:

**"Sec. 2. [MODIFICATION IN RETIREMENT COVERAGE FOR CERTAIN POLICE OFFICERS AND FIREFIGHTERS; AUTHORIZING MUNICIPAL IMPLEMENTATION.]** Subdivision 1. **[AUTHORIZATION OF MUNICIPAL ACTION.]** Notwithstanding any provision of law, municipal charter, municipal ordinance or resolution, or relief association articles of incorporation or bylaws to the contrary, any municipality in which is located a covered local police or salaried firefighters' relief association enumerated in section 1, subdivision 3, is authorized to implement the provisions of this section. Implementation shall be effected by a municipal resolution approved by a majority of the governing body of the municipality following consultation with the board of trustees of the affected local relief association and the holding of a public meeting at which the views of the public are considered. Prior to becoming effective, a copy of the municipal resolution shall be filed with the secretary of state, the commissioner of finance, the commissioner of insurance and the executive secretary of the legislative commission on pensions and retirement. To be deemed an implementing municipal resolution within the meaning of this section, the municipal resolution shall either refer to this section in the text or shall describe in summary form the modifications provided for in this section. Once granted, municipal approval shall be irrevocable.

**Subd. 2. [MODIFICATION OF RETIREMENT COVERAGE FOR CERTAIN NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.]** Any person first employed by a municipality which has adopted a municipal resolution pursuant to subdivision 1 after the effective date for the modification stated in the municipal resolution, which date shall not in any event be later than the first day of the month occurring six months after the date of passage of the municipal resolution, as a police officer or police trainee or as a firefighter or firefighter trainee, whichever position is covered in the municipal resolution, shall be a member of the public employees police and fire fund established by Minnesota Statutes, Sections 353.63 to 353.68, and shall not be a member of the applicable local police or firefighters' relief association established pursuant to any general or special law.

**Subd. 3. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.]** The minimum obligation of a municipality which has adopted a municipal resolution pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of Minnesota Statutes, Sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 2 shall not be included in any of the

computations made in determining the obligation of the municipality with respect to the local relief association.

The contribution rate of members of the local relief association shall be governed by Minnesota Statutes, Section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 2 shall be governed by Minnesota Statutes, Section 353.65.

When every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five members selected by the recipient beneficiaries of the fund, subject to the approval of the governing body of the municipality. If there are fewer than five recipient beneficiaries, the trust fund shall be managed by the governing body of the municipality. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. The balance of assets remaining in the trust fund shall not revert to the municipality until all obligations of the trust fund are paid.

The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with Minnesota Statutes, Sections 69.77, 356.215 and 356.216, until the unfunded accrued liability of the trust fund is fully amortized in accordance with this act. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to Minnesota Statutes, Section 356.20, Subdivision 4, Clause (1) (a), if the difference between those two figures is a positive number.

In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension

or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the municipal resolution adopted pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund.

If the modification of retirement coverage implemented pursuant to municipal resolution adopted pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to Minnesota Statutes, Section 69.031, Subdivision 5, Clause (2) (c). If the modification of retirement coverage implemented pursuant to a municipal resolution adopted pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality shall be disbursed as the municipality at its option may elect. The municipality may elect: (1) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (2) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to Minnesota Statutes, Section 353.65, Subdivision 3; or (3) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each."

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 1653: A bill for an act relating to public welfare; eliminating authorization for Minnesota State Children's Center; repealing Minnesota Statutes 1978, Sections 260.41 to 260.46.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 1435: A bill for an act relating to health; exempting out of state physicians from licensing regulations under certain conditions; amending Minnesota Statutes 1978, Section 147.09.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 1764: A resolution memorializing the United States Congress to enact legislation to extend the deadline for states to comply with recent amendments to the National Health Planning and Resources Development Act.

Reports the same back with the recommendation that the resolution be amended as follows:

Page 2, line 14, delete "and" and insert a comma

Page 2, line 15, before the period insert ", and to the appropriate committee and subcommittee chairmen of the United States House of Representatives and the United States Senate"

And when so amended the resolution do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 2075: A bill for an act relating to health; requiring certain immunizations for children; requiring certain schools to maintain immunization records and make certain reports; amending Minnesota Statutes 1978, Section 123.70.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "12 months of age" and insert "*the age of 11 months, 15 days*"

Page 2, line 3, delete "12 months of age" and insert "*the age of 11 months, 15 days*"

Page 2, line 18, strike "ten" and insert "18"

Page 3, after line 15, insert:

*"(e) If the child is under 15 months, the child is not required to be immunized against red measles, German measles, rubella or mumps."*

Page 3, line 17, delete "*elementary*"

Page 3, lines 18, 19 and 21, delete "*signed by*" and insert "*from*"

Page 5, line 2, after "*health*" insert "*who shall provide summary reports to local boards of health.*"

Page 5, line 2, delete "*pursuant to*" and insert "*required by*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

H. F. No. 1513: A bill for an act relating to the environment; regulating activities of drillers of exploratory borings; specifying the powers and duties of public officers and agencies; providing penalties; amending Minnesota Statutes 1978, Sections 156A.01; 156A.02, Subdivision 1, and by adding subdivisions; 156A.03, Subdivision 1; 156A.04; 156A.08; and Chapter 156A, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 10, after the period, insert "*It is further found that the concentration of our energy resources in the hands of a small number of petroleum producers and refiners represents a grave threat to the future well-being of our state.*"

Page 4, after line 5, insert:

"Sec. 7. Minnesota Statutes 1978, Section 156A.06, Subdivision 1, is amended to read:

156A.06 [WATER WELL CONTRACTORS AND EXPLORATORY BORERS ADVISORY COUNCIL; MEMBERS; TERMS; EMPLOYEES.] Subdivision 1. There is hereby created the water well contractors and exploratory borers advisory council, herein referred to as the "advisory council," as an advisory council to the state commissioner of health. The advisory council shall be composed of ~~nine~~ 13 voting members. Of the ~~nine~~ 13 voting members, one member shall be from the state department of health, appointed by the state commissioner of health; one member shall be from the department of natural resources, appointed by the commissioner of natural resources; one member shall be a member of the Minnesota geological survey of the University of Minnesota appointed by the director; *two members shall be engaged in the business of exploratory boring for minerals; two public members who are not connected with the business of exploratory boring or the water well drilling industry; and six members shall be contractors actively engaged in the water well drilling industry, not to exceed two from the seven county metropolitan area and at least four from the remainder of the state who shall be representative of different geographical regions. They shall be residents of the state of Minnesota and appointed by the commissioner of health. No appointee of the water well drilling industry shall serve consecutive terms. The appointees to the advisory council from the water well drilling industry shall have been bona fide residents of this state for a period of at least three years prior to appointment and shall have had at least five years experience in the water well drilling business. The council shall expire and the terms of the appointed members and the compensation and removal of all members shall be as provided in section 15.059.*"

Page 4, after line 19, insert:

"Subd. 2. [EXPLORATION; PROHIBITION.] *No producer or refiner of petroleum products with sales of petroleum or petroleum products in excess of \$5,000,000,000 annually shall directly or indirectly through subsidiaries, joint ventures or other-*

*wise, maintain any interest in any entity engaging in the exploration for, mining of, or processing of any minerals within the state, to be used for the production of energy, including but not limited to uranium, after the effective date of this act."*

Renumber the subdivisions in sequence

Page 7, delete lines 13 to 33

Page 8, delete lines 1 to 10 and insert:

*"(a) Upon application for a state permit required for activities relating to mineral deposit evaluation, the explorer shall submit to the commissioner of natural resources data relevant to the proposal under consideration. The explorer may identify portions of the data which, if released, would impair the competitive position of the explorer submitting the data. Data so identified shall be considered confidential. If the commissioner is requested to disclose the data, he shall mail notice of the request to the explorer, and shall determine whether release of the data would impair the competitive position of the explorer submitting the data. If the commissioner determines that release of the data would impair the competitive position of the explorer submitting the data, the commissioner shall not release the data to any person other than parties to the proceedings relating to the permit under consideration. Parties to the proceedings shall maintain the confidentiality of data. Further, no confidential data shall be released by the commissioner until 30 days after mailed notice to the explorer of the commissioner's intention to do so. Under no circumstances shall the commissioner release data to any person, company, or organization engaged in exploration, mining, milling or related industry pertaining to any mineral. If the commissioner determines to release data the explorer may demand a contested case hearing on the commissioner's determination or may withdraw the permit application and the data shall not be released. Any person aggrieved by the decision of the commissioner may appeal the decision to the district court pursuant to chapter 15;"*

Page 9, line 6, delete "engaging in the examination of" and insert "examining"

Page 9, line 7, delete "other than"

Page 9, line 8, delete "by" and insert "excluding"

Page 9, line 8, delete "the"

Page 9, line 8, delete "of"

Page 9, line 10, delete "construction of" and insert "constructing"

Page 9, line 10, delete "the"

Page 9, line 11, delete "production of" and insert "producing"

Page 9, line 12, delete "such"

Page 9, line 13, delete "when the activities are, by themselves,"

Page 9, line 13, after "intended" insert "by themselves,"

Page 10, after line 1, insert:

"Sec. 10. [LOCAL CONTROL.] *Nothing contained in this act shall be construed as limiting the lawful authority of local units of government to prohibit mineral exploration within their boundaries, require permits from explorers, or impose reasonable requirements and fees upon explorers, consistent with the provisions of this act, other state laws and rules promulgated thereunder.*"

Page 10, line 2, delete everything after "The"

Page 10, line 3, delete "resources" and insert "environmental quality board"

Page 10, line 5, delete everything after the period

Page 10, delete lines 6 and 7

Page 10, line 8, delete "senate."

Page 10, line 10, delete "commission" and insert "board"

Page 10, line 10, after "or" insert "until"

Page 10, line 12, delete "7" and insert "8"

Page 10, line 13, delete "8" and insert "9"

Page 10, line 14, delete "7" and insert "8"

Page 10, line 14, delete "8" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "156A.04;" insert "156A.06, Subdivision 1;"

And when so amended the bill do pass. Mr. Dunn questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1067: A bill for an act relating to pollution; establishing noise limits for motorboats; amending Minnesota Statutes 1978, Section 361.17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 361.17, is amended to read:

361.17 [MOTORBOAT NOISE CONTROL.] *Subdivision 1. No motor shall be used on any ~~watercraft~~ motorboat unless it is equipped with an efficient muffler, underwater exhaust or other device which at all times adequately muffles or suppresses the*

sound of the exhaust of the motor so as to prevent excessive or unusual noise, and no motor shall be equipped with any cut-out.

*Subd. 2. No person shall operate a motorboat at any time or under any condition of load, acceleration, or deceleration in such a manner as to exceed the noise limits contained in subdivision 6.*

*Subd. 3. No person shall sell or offer for sale a new marine engine or motorboat which when maintained according to the manufacturer's specifications would exceed the noise limits contained in subdivision 6 when tested with a measurement procedure approved by the commissioner of the Minnesota department of natural resources.*

*Subd. 4. No person shall modify a marine engine or motorboat in a manner which will amplify or increase the noise emitted by the marine engine or motorboat above the noise limits contained in subdivision 6 when tested with a measurement procedure approved by the commissioner of the Minnesota department of natural resources. No person shall operate a motorboat so modified.*

*Subd. 5. No person shall sell or offer for sale replacement or additional parts for a marine engine or motorboat which when installed in the marine engine or motorboat will amplify or increase the noise emitted by the marine engine or motorboat above the noise limits contained in subdivision 6 when tested with a measurement procedure approved by the commissioner of the Minnesota department of natural resources. No person shall operate a motorboat incorporating such parts.*

*Subd. 6. The following limits apply to the total noise from the marine engine or motorboat and shall not be construed as limiting or precluding the enforcement of any other provision of law relating to motorboat noise:*

*(a) For marine engines or motorboats manufactured before January 1, 1982, a noise level of 84 decibels on the A scale measured at a distance of 50 feet from the motorboat or equivalent noise levels at other distances as specified by the commissioner of the Minnesota department of natural resources.*

*(b) For marine engines or motorboats manufactured on or after January 1, 1982, a noise level of 82 decibels on the A scale measured at a distance of 50 feet from the motorboat or equivalent noise levels at other distances as specified by the commissioner of the Minnesota department of natural resources.*

*Subd. 7. The provisions of this section shall not apply to motorboats operating under a permit pursuant to section 361.20 or a United States coast guard marine event permit in a regatta, or race, while on trial runs, or while on official trials for speed records during the time and in the designated area authorized by the permit.*

**Sec. 2. [APPROPRIATION.]** *The sum of \$..... is appropriated from the general fund to the Minnesota department of natural*

*resources for the purposes of purchasing motorboat noise monitoring equipment, training department personnel and county sheriff's departments in the use of the equipment, and general enforcement of the noise limits contained in section 361.17, subdivision 6, and shall be available until June 30, 1981.*

Sec. 3. [EFFECTIVE DATE.] *Sections 1 and 2 are effective the day following final enactment."*

Amend the title as follows:

Page 1, line 3, after the semicolon insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

H. F. No. 644: A bill for an act relating to health; prohibiting applicants for certain dental licenses who fail a clinical examination twice from further taking the examination without additional education and training; requiring the board of dentistry to promulgate rules establishing requirements for this education and training; requiring licensed dentists, dental hygienists and registered dental assistants to inform the board of dentistry when changing addresses; setting standards for the names under which dentists may practice; authorizing the board of dentistry to promulgate rules governing advertising by dentists; authorizing the board of medical examiners to promulgate rules governing advertising by physicians; establishing penalties; amending Minnesota Statutes 1978, Chapter 147, by adding a section; Sections 150A.-06. Subdivisions 1, 2 and 2a; 150A.09, Subdivision 3; and 150A.11. Subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 10, after the period, insert "*The board may by rule provide that*"

Page 2, line 13, after "board" delete "by" and insert "*in the*"

Page 3, line 8, after the period, insert "*The board may by rule provide that*"

Page 3, line 11, after "board" delete "by" and insert "*in the*"

Page 4, line 6, after the period, insert "*The board may by rule provide that*"

Page 4, line 9, after "board" delete "by" and insert "*in the*"

Page 6, delete sections 6 and 7

Page 6, line 30, delete "8" and insert "6"

Amend the title as follows:

Page 1, delete lines 13 to 16

Page 1, line 17, delete "physicians;"

Page 1, lines 18 and 19, delete "Chapter 147, by adding a section;"

Page 1, line 21, delete "Subdivisions" and insert "Subdivision" and delete "and 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1814 and 1090 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1814	1990				
1090	1207				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1814 be amended as follows:

Page 2, line 24, strike "A majority of the"

Page 2, line 24, delete "," and "and"

Page 2, line 25, delete "controlling" and ","

And when so amended H. F. No. 1814 will be identical to S. F. No. 1990, and further recommends that H. F. No. 1814 be given its second reading and substituted for S. F. No. 1990, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1090 be amended as follows:

Page 1, delete lines 16 to 21

Page 1, line 22, delete "3" and insert "2"

And when so amended H. F. No. 1090 will be identical to S. F. No. 1207, and further recommends that H. F. No. 1090 be given its second reading and substituted for S. F. No. 1207, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 2307 and 2354 were read the second time.

S. F. Nos. 1933, 2253, 1134, 2351, 2385 and 1717 were read

the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 1814 and 1090 were read the second time.

H. F. Nos. 1800, 2374, 1653, 1435, 2075 and 644 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Nichols moved that the names of Messrs. Nelson and Peterson be added as co-authors to S. F. No. 2387. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Solon be added as co-author to S. F. No. 2388. The motion prevailed.

Mr. Tennesen moved that H. F. No. 1765 be withdrawn from the Committee on Commerce and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1876 now in the Subcommittee on Bill Scheduling. The motion prevailed.

Mr. Tennesen introduced—

Senate Resolution No. 51: A Senate resolution relating to extending congratulations to the "Polars" Basketball team from Minneapolis North High School for winning the Class AA boys State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

S. F. No. 1670 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1670

A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 268.37; 290.01, Subdivision 20; and 290.06, Subdivision 14.

March 17, 1980

The Honorable Edward J. Gearty  
President of the Senate

The Honorable Fred C. Norton  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1670, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1670 be further amended as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [EMERGENCY RESIDENTIAL HEATING GRANTS.]** *Subdivision 1. The commissioner of economic security shall make grants to community action agencies, county boards, or other public or private nonprofit agencies for the purpose of providing emergency residential heating grants to low income households. These grants shall be made to the same agencies and in the same manner as provided for federal grants under the energy crisis assistance program of 42 U.S.C.A., Section 2809, Paragraph (a), Clause (5), except as otherwise provided in sections 1 to 5.*

*Subd. 2. The commissioner of economic security shall promulgate rules that provide: (a) procedures for the administration of grants; (b) data to be reported by grant recipients and heating fuel suppliers; and (c) other matters the commissioner finds necessary for the proper administration of the state and federal grant programs. The rules may take effect as temporary rules upon approval by the attorney general and without the normal publication in the state register and, 20 day wait for comments from the public, and may be amended in the same manner at a later date if comments from the public demonstrate that amendments are justified.*

*Subd. 3. Data on individuals collected, maintained, used, or disseminated pursuant to this act are private data on individuals and shall not be disclosed except as provided for data in the welfare system under Minnesota Statutes, 1979 Supplement, Section 15.1691.*

**Sec. 2. [ALLOCATIONS.]** *Money appropriated under section 12, subdivision 1, clauses (a) to (e) shall be allocated among local administrative agencies on the basis of the number of households in the area served by the agency whose income falls within the limits specified in section 3, subdivision 1, in relation to the total of these households in the state.*

**Sec. 3. [ELIGIBILITY; AMOUNT OF GRANT.]** *Subdivision 1. [INCOME LIMITS.] Emergency residential heating grants under this section shall be paid only to households not eligible for the federal energy crisis assistance program and whose total household income does not exceed the following limits:*

Size of Household	Not More Than
1	\$ 5,100
2	6,750
3	8,400
4	10,050
5	11,700
6	13,350
	(For each additional household member add \$1,650.)

*In determining total household income, a household with earned income may deduct from earned income state and federal taxes and social security contributions. In addition, a household may deduct medical expenses which are not reimbursed by insurance or other sources and which exceed three percent of the household income.*

*Subd. 2. [AMOUNT OF GRANT.] The amount of a grant under this section, in combination with the special grant paid by the federal government directly to recipients of supplemental security income and money available to the state under the HEW block grant program shall be the least of:*

*(a) Fifty percent of the cost of residential heating energy paid or reasonably anticipated to be paid by the household during the winter heating season beginning in September and ending in May; or*

*(b) The appropriate table of maximum grant amounts as follows:*

*(1) If the maximum grant for fuel oil under the current state plan for the federal energy assistance program, at the highest eligible income level is \$400, the following amounts graduated by size of household, income of household, and source of energy:*

<i>Household Size</i>	<i>Household Income More Than but</i>	<i>Not More than</i>	<i>Fuel Oil, Canadian Natural and Gas Propane</i>	<i>Wood and Other Energy Sources</i>
<i>1</i>		<i>\$ 4,250</i>	<i>\$400</i>	<i>\$267</i>
	<i>\$ 4,250</i>	<i>\$ 4,675</i>	<i>\$283</i>	<i>\$189</i>
	<i>\$ 4,675</i>	<i>\$ 5,100</i>	<i>\$167</i>	<i>\$111</i>
<i>2</i>		<i>\$ 5,625</i>	<i>\$400</i>	<i>\$267</i>
	<i>\$ 5,625</i>	<i>\$ 6,188</i>	<i>\$283</i>	<i>\$189</i>
	<i>\$ 6,188</i>	<i>\$ 6,750</i>	<i>\$167</i>	<i>\$111</i>
<i>3</i>		<i>\$ 7,000</i>	<i>\$400</i>	<i>\$267</i>
	<i>\$ 7,000</i>	<i>\$ 7,700</i>	<i>\$283</i>	<i>\$189</i>
	<i>\$ 7,700</i>	<i>\$ 8,400</i>	<i>\$167</i>	<i>\$111</i>
<i>4</i>		<i>\$ 8,375</i>	<i>\$400</i>	<i>\$267</i>
	<i>\$ 8,375</i>	<i>\$ 9,212</i>	<i>\$283</i>	<i>\$189</i>
	<i>\$ 9,212</i>	<i>\$10,050</i>	<i>\$167</i>	<i>\$111</i>
<i>5</i>		<i>\$ 9,750</i>	<i>\$400</i>	<i>\$267</i>
	<i>\$ 9,750</i>	<i>\$10,725</i>	<i>\$283</i>	<i>\$189</i>
	<i>\$10,725</i>	<i>\$11,700</i>	<i>\$167</i>	<i>\$111</i>
<i>6</i>		<i>\$11,125</i>	<i>\$400</i>	<i>\$267</i>
	<i>\$11,125</i>	<i>\$12,238</i>	<i>\$283</i>	<i>\$189</i>
	<i>\$12,238</i>	<i>\$13,350</i>	<i>\$167</i>	<i>\$111</i>

*or*

*(2) If the maximum grant for fuel oil under the current state plan for the federal energy assistance program, at the highest eligible income level is \$600 or more, the following amounts graduated by size of household, income of household, and source of energy:*

Household Size	Household Income More Than but	Household Income Not More Than	Fuel Oil, Canadian Natural Gas and Propane	Wood and Other Energy Sources
1		\$ 4,250	\$600	\$400
	\$ 4,250	\$ 4,675	\$425	\$283
2	\$ 4,675	\$ 5,100	\$250	\$167
	\$ 5,625	\$ 5,625	\$600	\$400
3	\$ 5,625	\$ 6,188	\$425	\$283
	\$ 6,188	\$ 6,750	\$250	\$167
4	\$ 7,000	\$ 7,000	\$600	\$400
	\$ 7,700	\$ 8,400	\$250	\$167
5	\$ 8,375	\$ 8,375	\$600	\$400
	\$ 9,212	\$ 9,212	\$425	\$283
6	\$ 9,212	\$10,050	\$250	\$167
	\$ 9,750	\$ 9,750	\$600	\$400
7	\$ 9,750	\$10,725	\$425	\$283
	\$10,725	\$11,700	\$250	\$167
8	\$11,125	\$11,125	\$600	\$400
	\$11,125	\$12,238	\$425	\$283
	\$12,238	\$13,350	\$250	\$167

For households of more than six members, the amount of the grant is scaled downward as income goes upward in the same manner as provided in tables 1 and 2 above.

Grants for recipients who use two or more types of fuel shall be based on the household's primary energy source.

Users of wood as the primary heating source, whether the wood is purchased or not, shall be eligible for assistance under this section.

Grants shall not be considered as income or resources under any other public or publicly assisted income tested program.

Sec. 4. [DISCRETIONARY GRANTS.] A local administrative agency may use money allocated to it for discretionary grants to assist households in extraordinary need whose income, assets, or heating costs fall outside the limits set in section 3 and who are not eligible for additional assistance under any federal program.

Sec. 5. [LEGISLATIVE AUDITOR REPORT.] The legislative auditor shall submit to the legislature by January 1 of each year an audit report of the department of economic security concerning their administration of the emergency residential heating grant program. This report shall also contain a summary of the audit results of the local agencies involved in the administration of this program.

These financial and compliance audits of the local agencies shall be initiated, monitored, and approved by the department of economic security. The legislative auditor must approve the selection of the auditors and scope of the audit.

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 268.37, is amended to read:

268.37 [COORDINATION OF FEDERAL AND STATE RESIDENTIAL WEATHERIZATION PROGRAMS.] Subdivision 1. The department of economic security is the state agency to apply for, receive, and disburse federal money made available to the state by federal law or rules promulgated thereunder for the purpose of weatherizing the residences of low-income persons. The commissioner of economic security shall coordinate available federal money with any state money appropriated for this purpose.

Subd. 2. The commissioner shall make grants of federal and state money to community action agencies and other public or private nonprofit agencies for the purpose of weatherizing the residences of low-income persons. Grant applications shall be submitted in accordance with rules developed pursuant to 42 U.S.C., Sections 6861 to 6872, any other relevant federal weatherization program, and rules promulgated by the commissioner.

Subd. 3. The commissioner shall promulgate temporary rules as necessary to administer the grants program by July 1, 1979 and shall promulgate permanent rules by July 1, 1980. The rules shall describe: (a) procedures for the administration of grants, (b) data to be reported by grant recipients, and (c) other matters the commissioner finds necessary for the proper administration of the grant program including compliance with relevant federal regulations. Weatherization assistance shall be given to households where the total income does not exceed 125 percent of the poverty level as updated by the federal office of management and budget poverty guidelines.

Subd. 4. [SUPPLEMENTARY STATE GRANTS.] *The commissioner shall distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units feasible. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units.*

*Criteria for the allocation of state grants to local agencies include: (a) existing local agency production levels, (b) availability of CETA resources in the area, (c) emergency needs, and (d) the potential for maintaining or increasing acceptable levels of production in the area.*

*An eligible local agency may receive advance funding for 90 days' production, but thereafter shall receive grants solely on the basis of program criteria.*

Subd. 5. The commissioner shall submit reports to the legislature by March 1 of each year, 1980, and March 1, 1981, evaluating the weatherization program. The reports shall describe: (a) the number of households weatherized, (b) the average cost per household, (c) any change in energy consumption after weatherization, (d) outreach efforts, and (e) any other information the commissioner

feels is relevant, including information routinely submitted to the federal government.

Sec. 7. Minnesota Statutes, 1979 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 "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes 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 section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) 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.

(v) 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 amendments made to sections 219(c) (3) and 220(c) (4) (extending the time for which a taxpayer is deemed to have made a contribution to an individual retirement account for the taxable year) by section 157(a) of P.L. 95-600 shall be effective for taxable years beginning after December 31, 1977.

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 such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from federal income tax, but not from state income taxes;

(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 such 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 such previous taxable year.

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 or separate Minnesota income tax returns. In the case of 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 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) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7) or under section 290.09, subdivision 24;

(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 realized 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, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota; and

(14) Exempt-interest dividends, as defined in section 852(b) (5)(A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b) (5)(B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such 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 realized by a trust on the sale or exchange of property as defined in section 641(c) (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 50 per centum of such 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 such 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 resulting from such losses;

(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 such 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, 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, as amended through December 31, 1977. The maximum amount of this subtraction shall be \$10,000 less the amount by which the individual's federal adjusted gross income 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 \$10,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, 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 realized 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 after December 31, 1977 and before January 1, 1982 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The amount of gain on the sale of the taxpayer's residence excluded from the federal gross income of the taxpayer pursuant to section 121 of the Internal Revenue Code of 1954, as amended through December 31, 1978 provided that a taxpayer who elects under that section shall not, for the purpose of this subdivision, also take an exclusion according to the provisions of section 121 of the Internal Revenue Code, as amended through December 31, 1976;

(12) 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; and

(13) The amount of any income earned for personal services rendered prior to the date when the taxpayer became a resident of Minnesota; and

(14) *The amount of any credit to the taxpayer's federal tax liability for qualified expenditures for energy conservation or renewable energy sources under section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979 and as amended in H. R. 3919 (Crude Oil Windfall Profit Tax Act of 1980) as passed by the United States House of Representatives on March 13, 1980.*

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954,

but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 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 such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such 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 such amounts resulted in a reduction of the tax imposed by this act, and (2) 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 act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate 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 such 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. 8. Minnesota Statutes, 1979 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), and a credit of 15 percent of the first \$2,000 of energy conservation expenditures made by a taxpayer and installed in or on a dwelling unit located in Minnesota, 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 credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto;

(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 wall 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 which produces ethanol, methane or methanol for use 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 unit 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:

- (1) Control and distribution element, including fans, louvers, and air ducts; and/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 promulgated by the commissioner of revenue in cooperation with the director of the energy agency. 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.

*An "energy conservation expenditure" is an expenditure which qualifies for the federal energy conservation credit pursuant to section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979, and any regulations promulgated pursuant thereto.*

*If a credit for a renewable energy expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum renewable energy 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 renewable energy expenditures which a credit was claimed pursuant to this subdivision in prior years. If a credit for an energy conservation expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum energy conservation expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$2,000 reduced by the amount of energy conservation expenditures for which a credit was claimed pursuant to this subdivision in prior years.*

**The A credit provided in this subdivision shall not be allowed in a taxable year if the amount sum of the credit credits provided in this subdivision would be less than \$10.**

*If the a 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 attributable to renewable energy source expenditures may be carried forward to a taxable year beginning after December 31, 1984. No amount attributable to energy conservation expenditures may be carried forward to a taxable year beginning after December 31, 1982. In the case of energy conservation expenditures, excess credits may be carried back two years, in chronological order. No credit may be carried back to a taxable year beginning before January 1, 1978. For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to an energy conservation 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 following the end of the taxable year of the energy conservation credit which results in the carryback. In the case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of the energy conservation credit, interest shall be computed only from the end of the taxable year in which the energy conservation credit occurs.*

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the ~~credit~~ credits provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under ~~clause (a)~~ section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1979. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The ~~credit~~ credits provided in this subdivision ~~is~~ are subject to the provisions of Section 44C, (c) (7), (d) (1) to (3), and (e), of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the director of the energy agency shall promulgate rules establishing additional qualifications and definitions for the credits provided in ~~clauses (a) to (d)~~ this subdivision.

*Notwithstanding section 290.61, the commissioner of revenue may request the energy agency 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 energy agency who receive information furnished by the taxpayer for purposes of claiming this credit.*

~~This subdivision~~ *The credit for renewable energy source expenditures is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1983. The credit for energy conservation expenditures is effective for expenditures made during taxable years beginning after December 31, 1979, and before January 1, 1983.*

Sec. 9. Minnesota Statutes 1978, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 15b. It may make grants to assist in energy conservation rehabilitation measures for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair or replacement, chimney construction or improvement, weatherstripping and caulking, and structural or other directly related repairs essential for energy conservation. The grant to any household shall not exceed \$2,000.*

*To be eligible for an emergency conservation grant, a household must be certified as eligible to receive emergency residential heat-*

ing assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the energy agency, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The housing finance agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other housing finance agency loan or grant programs.

*Temporary rules to implement this subdivision may be promulgated and amended pursuant to chapter 15. The temporary rules may remain in effect until July 1, 1981.*

Sec. 10. Minnesota Statutes 1978, Section 462A.21, is amended by adding a subdivision to read:

*Subd. 4g. It may make emergency energy conservation grants as provided in section 9 and may pay the costs and expenses necessary and incidental to the development of the emergency energy conservation grant program.*

Sec. 11. [STATE PLAN FOR SPENDING FEDERAL MONEY.] *Subdivision 1. The governor shall submit to the appropriate federal agency a state delivery plan for money the state receives under the Federal Home Energy Assistance Act of 1980, that includes the following elements:*

*(a) Those households in which one or more individuals are eligible for (a) aid to families with dependent children, (b) supplemental security income payments, (c) food stamps, or (d) certain veteran's benefits as limited by the Home Energy Assistance Act of 1980 shall be categorically eligible for assistance under the state plan, and procedures for simplified application shall be developed.*

*(b) Users of wood as a primary heating source, whether the wood is purchased or not, shall be eligible for assistance if otherwise eligible under federal law.*

*(c) Grants under the state plan may be in the form of a direct payment to an eligible household or as a line of credit to an energy supplier. The plan shall describe the conditions under which direct payment is permitted.*

*(d) Eligible households that have medically necessary cooling costs, as limited by federal law, shall be eligible for assistance.*

*(e) The state plan shall provide that three percent of the federal money shall be set aside for the emergency uses specified in federal law.*

*Subd. 2. Before the state plan is submitted to the appropriate federal agency, the governor shall deliver the plan to the appropriate committees of the legislature for review and comment. Thereafter, the governor shall notify the committees of any changes made in the plan.*

*Sec. 12. [APPROPRIATIONS.] Subdivision 1. The sum of \$27,000,000 is appropriated from the general fund to the commissioner of economic security for the purposes specified in this subdivision, to be available for the fiscal year ending June 30 in the year indicated.*

	1980	1981
(a) For the purposes specified in Section 1.	\$ 7,000,000	
<i>Any unencumbered balance remaining in the first year does not cancel, but is available for the second year of the biennium for the purposes specified in clause (c)</i>		
(b) For the purposes specified in section 4	\$ 500,000	\$ 500,000
(c) For emergency residential heating assistance		\$ 7,000,000
<i>(1) If for any reason, federal money is not available, this appropriation may be used for grants to be made pursuant to the current state plan.</i>		
<i>(2) If federal money is available to pay energy grants to persons eligible under section 1, up to \$5,000,000 of the money appropriated in clause (c) is available for any state matching requirement required by a federal energy assistance program.</i>		
<i>(3) If a household's income does not exceed 168 percent of office of management and budget nonfarm poverty guidelines and the household is not eligible for assistance under the federal program for fiscal year 1981, the money appropriated in clauses (b) and (c) is available for grants in the same manner, and form as is specified in the state plan for the federal energy assistance program for fiscal year 1981.</i>		
(d) If grants are paid from the appropriation of state money in clauses (b) and (c) to persons eligible to receive grants for the same purpose from federal money, the appropriations		

1980

1981

*shall be reimbursed for those grants from federal money when the federal money becomes available if reimbursement is permitted under federal law.*

*(e) Local administrative agencies may retain up to five percent of the appropriations in clauses (a), (b), and (c) for administrative costs. The state administrative agency may retain up to two percent of the appropriation for administrative costs.*

*(f) Weatherization of residences pursuant to section 6 to be available until June 30, 1981. Local administrative agencies may retain up to 7½ percent of the appropriation in clause (f) for administrative costs. The state administrative agency may retain up to two percent of the appropriation in clause (f) for administrative costs.* \$12,000,000

*Subd. 2. The sum of \$5,000,000 is appropriated from the general fund to the housing development fund created by Section 462A.20, for the purpose of the emergency energy conservation grant program specified in sections 9 and 10, and for the payment of related costs and expenses. The complement of the housing finance agency is increased by two positions.*

*Subd. 3. The sum of \$1,000,000 is appropriated from the general fund to the commissioner of public welfare to reimburse counties for the county portion of expenses incurred by them in providing residential heating assistance under the emergency assistance and special needs allowance programs during fiscal years 1980 and 1981. No county match is required for this money.*

*Sec. 13. [EFFECTIVE DATE.] This act is effective the day after final enactment. Sections 1 to 5 expire January 2, 1982. Section 7 is effective for federal credits received for taxable years beginning after December 31, 1978."*

Delete the title and insert:

*"A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 268.37; 290.01, Subdivision 20; and 290.06, Subdivision 14."*

We request adoption of this report and repassage of the bill.  
Senate Conferees: (Signed) Hubert H. Humphrey, III; Neil Dieterich; Harmon T. Ogdahl; Jerald C. Anderson; Bill McCutcheon

House Conferees: (Signed) Ken G. Nelson; James C. Pehler; C. Thomas Osthoff; Bob Anderson

Mr. Humphrey moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1670 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1670 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 44 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	McCutcheon	Peterson	Stern
Barrette	Humphrey	Menning	Purfeerst	Stokowski
Benedict	Johnson	Moe	Schaaf	Strand
Chmielewski	Keefe, S.	Nelson	Schmitz	Stumpf
Coleman	Kleinbaum	Ogdahl	Setzepfandt	Tennessee
Davies	Knoll	Olhoft	Sikorski	Vega
Dieterich	Laufenburger	Olson	Solon	Wegener
Gearty	Lessard	Penny	Spear	Willet
Gunderson	Luther	Perpich	Staples	

Those who voted in the negative were:

Ashbach	Engler	Kirchner	Omann	Sieloff
Bang	Frederick	Knaak	Pillsbury	Ueland, A.
Bernhagen	Jensen	Knutson	Renneke	Ulland, J.
Dunn	Keefe, J.	Nichols	Rued	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

#### CALENDAR

H. F. No. 1789: A bill for an act relating to occupations and professions; providing for licensing of public accountants; amending Minnesota Statutes, 1979 Supplement, Section 326.191.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Keefe, J.	Luther	Omann
Bang	Engler	Keefe, S.	McCutcheon	Penny
Barrette	Frederick	Kirchner	Menning	Perpich
Benedict	Gearty	Kleinbaum	Moe	Peterson
Bernhagen	Gunderson	Knaak	Nelson	Pillsbury
Chmielewski	Hanson	Knoll	Nichols	Purfeerst
Coleman	Humphrey	Knutson	Ogdahl	Renneke
Davies	Jensen	Laufenburger	Olhoft	Rued
Dieterich	Johnson	Lessard	Olson	Schaaf

Schmitz	Solon	Stokowski	Tennessee	Vega
Setzepfandt	Spear	Strand	Ueland, A.	Wegener
Sieloff	Staples	Stumpf	Ulland, J.	Willet
Sikorski	Stern			

So the bill passed and its title was agreed to.

H. F. No. 593: A bill for an act relating to wild animals; clarifying conditions under which raccoons can be taken at night; amending Minnesota Statutes 1978, Section 100.29, Subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 3, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Humphrey	Menning	Purfeerst	Strand
Benedict	Jensen	Moe	Renneke	Stumpf
Bernhagen	Johnson	Nelson	Rued	Ueland, A.
Chmielewski	Keefe, J.	Nichols	Schaaf	Ulland, J.
Davies	Keefe, S.	Ogdahl	Schmitz	Vega
Dieterich	Kirchner	Olhoff	Setzepfandt	Wegener
Dunn	Kleinbaum	Olson	Sieloff	Willet
Engler	Knaak	Omann	Sikorski	
Frederick	Knoll	Penny	Solon	
Gearty	Knutson	Perpich	Staples	

Messrs. McCutcheon, Spear and Tennessee voted in the negative.

So the bill passed and its title was agreed to.

#### CONSENT CALENDAR

H. F. No. 1798: A bill for an act relating to courts; second judicial district; providing for the appointment of the juvenile court clerk; amending Laws 1951, Chapter 653, Section 1, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stokowski
Bang	Hanson	McCutcheon	Purfeerst	Strand
Barrette	Humphrey	Menning	Renneke	Stumpf
Benedict	Jensen	Moe	Rued	Tennessee
Bernhagen	Johnson	Nelson	Schaaf	Ueland, A.
Chmielewski	Keefe, J.	Nichols	Schmitz	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Vega
Davies	Kirchner	Olhoff	Sieloff	Wegener
Dieterich	Kleinbaum	Olson	Sikorski	Willet
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	
Gearty	Lessard	Peterson	Stern	

So the bill passed and its title was agreed to.

H. F. No. 1892: A bill for an act relating to courts; providing that courts may acquire electronic data processing services through supreme court contracts; amending Minnesota Statutes 1978, Chapter 480, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Peterson	Stern
Ashbach	Gunderson	Luther	Pillsbury	Stokowski
Bang	Hanson	McCutcheon	Purfeerst	Strand
Barrette	Humphrey	Menning	Renneke	Stumpf
Benedict	Jensen	Moe	Rued	Tennessee
Bernhagen	Johnson	Nelson	Schaaf	Ueland, A.
Chmielewski	Keefe, J.	Nichols	Schmitz	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Vega
Davies	Kirchner	Olhoff	Sieloff	Wegener
Dieterich	Kleinbaum	Olson	Sikorski	Willet
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

#### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 2122, 1708, 1783, 2111, 2017, 1838, 2172, 1993, 1950 and H. F. Nos. 2119, 1169, 1732, 2051, 1695, and 1846, which the committee recommends to pass.

S. F. No. 657, which the Committee recommends be re-referred to the Committee on Energy and Housing.

S. F. No. 2168, which the committee recommends to pass with the following amendments offered by Messrs. Chmielewski and Hanson:

Mr. Chmielewski moved to amend S. F. No. 2168 as follows:

Page 1, line 10, delete "city of" and insert "school district of"

The motion prevailed. So the amendment was adopted.

Mr. Hanson moved to amend S. F. No. 2168 as follows:

Page 1, after line 12, insert:

"Sec. 2. [138.581] [STATE HISTORIC SITES; REGISTRY, LANDS OWNED BY GOVERNMENTAL UNITS OUTSIDE THE STATE.] *Subdivision 1. The land and water areas enumerat-*

*ed in this section are designated "state historic sites," and this section is a registry of state historic sites situated on property owned by governmental units outside the state or by instrumentalities of those government units.*

*Subd. 2. The Canadian National Depot, owned by the Canadian National Railroad, is in Roseau county and is located on Main Street in the city of Warroad.*

Sec. 3. Minnesota Statutes 1978, Section 138.59, is amended to read:

**138.59 [NOTICE TO MINNESOTA HISTORICAL SOCIETY OF LAND ACQUISITION.]** Whenever the state or any governmental subdivision thereof acquires any of the property enumerated in section 138.58 or in section 2 as a state historic site, it is the duty of the officer in charge of such the acquisition to notify in writing, as promptly as may be expedient, the Minnesota historical society of such the acquisition."

Amend the title as follows:

Page 1, line 2, delete "an"

Page 2, line 3, delete "site" and insert "sites" and after the semicolon, insert "requiring notice to the Minnesota Historical Society when the state or a political subdivision acquires certain property;"

Page 1, line 4, delete "Section" and insert "Sections"

Page 1, line 5, before the period, insert "; and 138.59"

The motion prevailed. So the amendment was adopted.

S. F. No. 1877, which the committee recommends to pass with the following amendments offered by Messrs. Vega and Frederick:

Mr. Vega moved to amend S. F. No. 1877 as follows:

Page 3, line 32, after "fired" insert "for cause"

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend S. F. No. 1877 as follows:

Page 1, line 17, after "individual" insert ", 17 years of age or older,"

The motion prevailed. So the amendment was adopted.

Mr. Frederick then moved to amend S. F. No. 1877 as follows:

Page 2, line 26, before "hours" insert "approximate"

The motion prevailed. So the amendment was adopted.

Mr. Coleman moved that the report of the Committee of the Whole, as kept by the Secretary, be now adopted.

### CALL OF THE SENATE

Mr. Humphrey imposed a call of the Senate. The following Senators answered to their names:

Anderson	Engler	Knaak	Perpich	Stokowski
Bang	Frederick	Knoll	Pillsbury	Stumpf
Barrette	Gearty	Knutson	Purfeerst	Tennessee
Benedict	Gunderson	Laufenburger	Renneke	Ueland, A.
Bernhagen	Hanson	Lessard	Rued	Ulland, J.
Brataas	Humphrey	Luther	Sieloff	Vega
Chmielewski	Jensen	Menning	Sikorski	Wegener
Coleman	Johnson	Moe	Solon	Willet
Davies	Keefe, S.	Nichols	Spear	
Dieterich	Kirchner	Omann	Staples	
Dunn	Kleinbaum	Penny	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

Mr. Humphrey requested that the report on S. F. No. 657 be divided out.

The question was taken on the adoption of the motion of Mr. Coleman. The motion prevailed.

The question was taken on the adoption of the report on S. F. No. 657. The motion did not prevail.

### RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

### REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 2244, 1618, 1655 and H. F. Nos. 1871, 1207, 1837 and 2028 makes the following report:

That the above Senate Files and House Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 1:00 o'clock p.m., Wednesday, March 19, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTY-SECOND DAY

St. Paul, Minnesota, Wednesday, March 19, 1980

The Senate met at 1:00 o'clock p.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Engler	Knaak	Penny	Stokowski
Bang	Frederick	Menning	Pillsbury	Stumpf
Barrette	Gearty	Merriam	Purfeerst	Ueland, A.
Bernhagen	Hanson	Moe	Renneke	Ulland, J.
Brataas	Jensen	Nelson	Rued	Wegener
Chmielewski	Johnson	Nichols	Setzepfandt	Willet
Coleman	Keefe, S.	Olhoff	Sillers	
Davies	Kirchner	Omann	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Senator Emery Barrette.

The roll was called, and the following Senators answered to their names:

Ashbach	Gearty	Laufenburger	Penny	Solon
Bang	Gunderson	Lessard	Perpich	Spear
Barrette	Hanson	Luther	Peterson	Staples
Benedict	Humphrey	McCutcheon	Pillsbury	Stern
Bernhagen	Jensen	Menning	Purfeerst	Stokowski
Brataas	Johnson	Merriam	Renneke	Strand
Chmielewski	Keefe, J.	Moe	Rued	Stumpf
Coleman	Keefe, S.	Nelson	Schaaf	Tennessee
Davies	Kirchner	Nichols	Schmitz	Ueland, A.
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Knaak	Olhoff	Sieloff	Vega
Engler	Knoll	Olson	Sikorski	Wegener
Frederick	Knutson	Omann	Sillers	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Mr. Hughes was excused from the Session of today. Mr. Stern was excused from this evening's Session from 8:00 to 9:00 o'clock p.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Messrs. Sieloff, Frederick, Omann, Mrs. Knaak and Mr. Engler introduced—

S. F. No. 2393: A bill for an act relating to taxation; increasing the homestead base value; changing percentages for certain property tax classifications; providing an additional property tax refund for certain homeowners; appropriating money; amending Minnesota Statutes 1978, Section 290A.04, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 273.122 and 273.13, Subdivisions 4, 6, 7, and 19.

Referred to the Committee on Taxes and Tax Laws.

Mr. Moe, for the Committee on Finance, introduced—

S. F. No. 2394: A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; authorizing purchase and sale of public lands and buildings; appropriating money.

Under the rules of the Senate, laid over one day.

Mr. Moe, for the Committee on Finance, introduced—

S. F. No. 2395: 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; appropriating money, amending Minnesota Statutes 1978, Section 174.50, Subdivision 1.

Under the rules of the Senate, laid over one day.

Messrs. Willet, Moe, Lessard, Wegener and Rued introduced—

S. F. No. 2396: A resolution memorializing the United States Congress to support the efforts of the Mississippi Headwaters Board to protect the Upper Mississippi River.

Referred to the Committee on Rules and Administration.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

March 17, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
482		352	March 17	March 17
693		353	March 17	March 17
998		354	March 17	March 17

Sincerely,

Joan Anderson Growe,  
Secretary of State

March 19, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 1010, 1215 and 951.

Sincerely yours,  
Albert H. Quie, Governor

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1187, 1188 and 1311.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 2040: A bill for an act relating to the city of Campbell; authorizing issuance of general obligation bonds to finance construction of a community hall.

Senate File No. 2040 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 18, 1980

**CONCURRENCE AND REPASSAGE**

Mr. Sillers moved that the Senate concur in the amendments by the House to S. F. No. 2040 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 2040: A bill for an act relating to local government; authorizing issuance of general obligation bonds to finance construction of a community hall.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Staples
Bang	Hanson	Menning	Purfeerst	Stern
Barrette	Humphrey	Moe	Renneke	Stokowski
Benedict	Jensen	Nelson	Rued	Strand
Bernhagen	Johnson	Ogdahl	Schaaf	Stumpf
Brataas	Keefe, S.	Olhoft	Schmitz	Tennessen
Chmielewski	Kirchner	Olson	Setzepfandt	Ueland, A.
Coleman	Knaak	Omann	Sikorski	Ulland, J.
Dieterich	Knutson	Penny	Sillers	Vega
Frederick	Laufenburger	Perpich	Solon	Wegener
Gearty	Leesard	Peterson	Spear	Willet

Messrs. Davies and Merriam voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

**MESSAGES FROM THE HOUSE—CONTINUED**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1884, 1896, 1899, 1963, 2019, 753, 2314, 2191, 1190, 1706, 1727, 1534, 1916 and 2369.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 18, 1980

**FIRST READINGS OF HOUSE BILLS**

The following bills were read the first time and referred to the committees indicated.

H. F. No. 1884: A bill for an act relating to education; modifying rule making procedures and the tuition exemption authority of the state university board; allowing a change in the placement service registration fee at state universities; modifying a visitation and reporting duty of the state university board; eliminating a reporting duty of state university presidents; eliminating a provision governing state university rules which conflict with the provisions of certain collective bargaining contracts; amending Min-

nesota Statutes 1978, Sections 136.11, Subdivisions 1 and 8; and 136.14; repealing Minnesota Statutes 1978, Sections 136.148 and 136.15.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1788 now on General Orders.

H. F. No. 1896: A bill for an act relating to juveniles; establishing criteria for reference of certain juveniles for prosecution; requiring written findings and conclusions after reference hearings; providing monitoring by the crime control planning board; amending Minnesota Statutes 1978, Section 260.125, by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2149 now in the Subcommittee on Bill Scheduling.

H. F. No. 1899: A bill for an act relating to the office of secretary of state; adjusting certain fees collected by that office; making them more uniform; amending Minnesota Statutes 1978, Sections 47.16; 53.01; 221.67; 303.13, Subdivision 1; 308.06, Subdivision 4; 317.04, Subdivision 3; 317.67; 540.152; and 543.08.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1654 now on General Orders.

H. F. No. 1963: A bill for an act relating to claims against the state; appropriating money for the payment thereof.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1778 now in the Subcommittee on Bill Scheduling.

H. F. No. 2019: A bill for an act relating to education; the maximum effort school aid law; changing the definition of "maximum effort debt service levy"; authorizing the sale of bonds for the maximum effort school loan fund; appropriating money; amending Minnesota Statutes 1978, Sections 124.38, Subdivision 7; 124.43, Subdivisions 1 and 2.

Referred to the Committee on Finance.

H. F. No. 753: A bill for an act relating to banks and banking; removing certain restrictions on services that may be offered at detached facilities; amending Minnesota Statutes 1978, Section 47.53.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1909 now on General Orders.

H. F. No. 2314: A bill for an act relating to the legislative auditor; clarifying access to data; amending Minnesota Statutes 1978, Section 3.97, by adding subdivisions.

Referred to the Committee on Rules and Administration for

comparison with S. F. No. 2385 now in the Subcommittee on Bill Scheduling.

H. F. No. 2191: A bill for an act relating to unemployment compensation; including certain services as within definition of employment; providing for the noncharging of certain benefits; regulating accounts of successor employers; regulating reimbursements; providing for deductions from benefits; clarifying a certain disqualification from benefits; regulating employer protests; regulating certain interest charges and penalties; providing for adjustments; amending Minnesota Statutes 1978, Sections 268.06, Subdivisions 25, 26 and 28; 268.10, Subdivision 1; 268.16, Subdivisions 1, 2 and 6; and Minnesota Statutes, 1979 Supplement, Sections 268.04, Subdivision 12; 268.06, Subdivisions 5, 22 and 33; 268.08, Subdivision 3; and 268.09, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1721 now on General Orders.

H. F. No. 1190: A bill for an act relating to transportation; requiring the consent of municipalities for certain trunk highway improvements; authorizing the commissioner of transportation to convey or otherwise dispose of certain lands no longer needed for trunk highway purposes; authorizing the commissioner to lease airspace above and subsurface areas below trunk highway right-of-way; adding new routes to the trunk highway system, and adding new routes in substitution of existing routes; discontinuing and removing Route No. 327 from the trunk highway system; permitting certain equipment to use crossovers between the main line roadways of controlled access highways when operating within a marked construction zone; modifying the availability of federal reimbursements deposited in the state treasury and appropriated to the federal-state safety account; prohibiting depositing snow or ice on a highway; excluding minor relocations of pipelines caused by highway construction from the definition of construction; modifying the procedures for approval of plats which include lands abutting trunk highways; amending Minnesota Statutes 1978, Sections 160.27, Subdivision 5; 161.172; 161.23, Subdivision 2; 161.43; 161.433, Subdivision 1; 161.44, Subdivision 1; 161.51; 169.305, Subdivision 1; 169.42, Subdivision 1; 505.03, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 116I.01, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1940 now in the Subcommittee on Bill Scheduling.

H. F. No. 1706: A bill for an act relating to transportation; providing for a travel information franchise program, and prescribing the powers and duties of the commissioner of transportation in relation thereto; amending Minnesota Statutes 1978, Sections 160.08, Subdivision 7; 161.23, Subdivision 3; 161.433, Subdivision 2; and 161.434.

Referred to the Committee on Transportation.

**H. F. No. 1727:** A bill for an act relating to family; providing that natural parents may obtain a copy of an adopted child's original birth certificate; allowing parents ten days to revoke consent to adoption; providing a pre-adoption residency of three months; amending Minnesota Statutes 1978, Sections 144.218, Subdivision 1; 144.225, Subdivision 2; 259.24, Subdivision 5, and by adding a subdivision; 259.25, Subdivision 1, and by adding a subdivision; 259.27, Subdivision 4; and Chapter 259, by adding a section; repealing Minnesota Statutes, 1979 Supplement, Sections 259.24, Subdivision 6; and 259.25, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2348 now on General Orders.

**H. F. No. 1534:** A bill for an act relating to real estate; increasing certain fees charged by the county recorder and registrar of titles; providing that the county recorder be notified of deferred assessments; amending Minnesota Statutes 1978, Sections 273.111, Subdivision 11; 357.18, Subdivision 1; 375.14; 429.061, Subdivision 2; 462.358, by adding a subdivision; and 508.82.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1549 now on General Orders.

**H. F. No. 1916:** A bill for an act relating to motor vehicles; providing for the registration and taxation of certain vehicles for a period of less than 12 months under certain circumstances; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 6; and 168.017, Subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

**H. F. No. 2369:** A bill for an relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted and obsolete references and text; eliminating certain redundant, conflicting and superseded provisions; reenacting a law; amending Minnesota Statutes 1978, Sections 15.052, Subdivision 9; 16.851, Subdivision 1; 16A.26; 25.31; 25.32; 25.33, Subdivisions 1 and 5; 25.34, Subdivision 3; 25.36; 25.40; 25.41, Subdivisions 1 and 5; 25.42; 25.43; 25.44; 28A.15, Subdivision 4; 89.35; 89.36, Subdivision 1; 89.39; 93.45, Subdivision 2; 111.21, Subdivision 1; 112.46; 116.02, Subdivision 2; 116.16, Subdivision 2; 116C.65; 116H.06; 120.17, Subdivision 9; 122.531, Subdivision 2; 123.42; 124.212, Subdivision 8a; 124.46, Subdivision 3; 125.12, Subdivision 4; 126.41, Subdivision 2; 128A.04; 136.148; 136.501; 136.503, Subdivision 1; 136.506; 144.225, Subdivision 1; 144A.01, Subdivision 5; 144A.10, Subdivision 1; 144A.24; 145.22; 147.073, Subdivision 1; 161.171, Subdivision 5; 161.173; 162.02, Subdivision 11; 168B.02, Subdivisions 1 and 2; 168B.05; 168B.07, Subdivision 2; 168B.08, Subdivision 3; 169.751; 169.99, Subdivision 3; 179.61; 179.62; 179.63, Subdivisions 1 and 4; 179.65, Subdivision 1; 179.66, Subdivisions 5, 6 and 9; 179.67, Subdivision 1; 179.68; 179.71, Subdivisions 2, 4 and 5; 179.74, Subdivision 2; 181.12; 197.17; 202A.61; 238.01; 238.02, Subdivisions 1 and 4; 238.03; 238.04, Subdivision 9; 238.06, Subdivision

2; 238.08, Subdivision 4; 238.10; 238.16, Subdivision 2; 241.08, Subdivision 2; 241.44, Subdivision 1a; 242.37; 243.07; 243.12; 245.813, Subdivision 9; 256.09; 256.736, Subdivision 3; 256.76, Subdivision 2; 256.78; 256D.10; 256D.13; 260.251, Subdivision 3; 268.013, Subdivision 6; 296.01, Subdivision 1; 296.11; 296.15, Subdivision 2; 296.17, Subdivisions 1 and 5; 296.19; 296.20; 296.24; 301.511, Subdivision 2; 325.01, Subdivision 1; 325.907, Subdivision 1; 326.33, Subdivision 1; 333.055, Subdivision 2; 340.07, Subdivision 11; 340.11, Subdivision 9; 340.12; 340.14, Subdivision 5; 352.116; 352.1191; 352E.01, Subdivision 1; 352E.04; 352E.045; 354.44, Subdivision 5; 359.07, Subdivision 2; 360.018, Subdivisions 7 and 9; 363.02, Subdivision 3; 365.22; 367.33, Subdivision 3; 387.-45; 390.23; 394.24, Subdivision 3; 394.25, Subdivision 5a; 401.02, Subdivision 1; 412.251; 419.07; 419.075, Subdivision 2; 422A.06, Subdivision 2; 422A.11, Subdivision 1; 429.061, Subdivision 1; 435.191; 440.40; 459.14, Subdivision 7; 462.352, Subdivision 10; 462.36, Subdivision 1; 465.56, Subdivision 2; 471.591, Subdivision 1; 473.163, Subdivision 3; 473.223; 473F.02, Subdivision 21; 474.-02, Subdivision 1b; 485.018, Subdivision 4; 485.021; 505.178, Subdivision 2; 525.72; 546.10; 626.556, Subdivision 11; 628.41, Subdivision 6; Chapter 390, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 10A.01, Subdivision 11; 62A.02, Subdivision 3; 69.771, Subdivision 1; 179.74, Subdivision 4; 256B.06, Subdivision 1; 273.73, Subdivision 6; 273.76, Subdivision 2; 273.-77; 273.86, Subdivision 4; 275.125, Subdivision 9; 290.06, Subdivisions 3g and 14; 326.211, Subdivision 9; 354A.094, Subdivisions 2, 3, 8, and by adding a subdivision; 354A.38, Subdivision 3; 402.01, Subdivision 1; 424A.06, Subdivision 2; 462A.22, Subdivision 1a; 519.11, Subdivision 1; 549.09, Subdivision 1; 626.556, Subdivision 2; Laws 1979, Chapters 134, Section 2; 333, Sections 26, and 31, Subdivision 3; 335, Section 3, Subdivision 20; and reenacting Laws 1979, Chapter 303, Article I, Section 14; repealing Minnesota Statutes 1978, Sections 239.27; 325.01, Subdivisions 8, 9, 10, 11 and 12; 354A.22, as amended by Laws 1979, Chapter 334, Article VII, Sections 23 to 26; 390.33, Subdivision 7; Laws 1976, Chapters 155, Section 1; 222, Sections 30 and 31; 348, Section 15; Laws 1977, Chapter 323, Section 1; Laws 1979, Chapters 31, Section 2; 217, Section 11; and 316, Section 11.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2317 now on General Orders.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S. F. No. 2346, and reports pertaining to appointments. The motion prevailed.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2292: A bill for an act relating to regional railroad authorities; providing for their organization and governmental purpose, powers and duties.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H. F. No. 1272: A bill for an act relating to aeronautics; excluding parachutes and parachuting from the jurisdiction of the department of transportation; amending Minnesota Statutes 1978, Section 360.013, Subdivisions 2, 3 and 11.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H. F. No. 1742: A bill for an act relating to highway traffic regulations; authorizing pickup trucks used for certain purposes to draw two trailers under certain circumstances and within limited areas; amending Minnesota Statutes 1978, Section 169.81, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2341: A bill for an act relating to highway traffic regulations; including a constable within the meaning of the definition of peace officer in the implied consent law; amending Minnesota Statutes 1978, Section 169.123, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2331: A bill for an act relating to children; establishing a photographic state adoption exchange; requiring certain children to be listed on the exchange; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

H. F. No. 1684: A bill for an act relating to state lands; providing for the conveyance of certain land to the city of Virginia.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after "Minnesota," insert "for the purpose of providing student housing,"

Page 2, line 6, after the period, insert "If the property ceases to be used for student housing, title to the property will revert to the state."

Page 2, after line 9, insert:

"Sec. 2. The governor, upon the recommendation of the commissioner of administration, shall transfer and convey, without monetary consideration, by quitclaim deed in a form the attorney general approves, to the city of Thief River Falls, Minnesota, for the purposes of providing student housing, a tract of state-owned land now under the control of but no longer needed for the operation of Northland Community College, which tract is described as follows:

A parcel of land which is part of government lot 9 of section 27, Township 154 North, Range 43 West of the 5th Prime Meridian bounded as follows:

Commencing at the point of intersection of the northerly 75 feet right-of-way line of Minnesota trunk highway No. 1 and the East line of said government lot 9: thence on an assumed bearing of North 00 degrees 00 minutes West along the said East line a distance of 175 feet to the point of beginning; thence North 90 degrees 00 minutes West a distance of 235 feet, thence North a distance of 55 feet thence West a distance of 200 feet, thence South 00 degrees 00 minutes East to the said northerly 75 feet right-of-way line of Minnesota trunk highway No. 1; thence southeasterly along said right-of-way line to a point which lies North 90 degrees 00 minutes West a distance of 135 feet from the said East line of government lot 9: thence North 00 degrees 00 minutes West to a point which lies North 90 degrees 00 minutes West a distance of 135 feet from the point of beginning; thence North 90 degrees 00 minutes East a distance of 135 feet to the point of beginning.

Subject to an easement for utilities over the southerly 30 feet of the West 250 feet of the above described parcel. If the property ceases to be used for student housing, title to the property will revert to the state.

The attorney general may provide a more accurate description of the property subject to this act if he decides it is appropriate."

Page 2, line 10, delete "shall be" and insert "is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "city" and insert "cities"

Page 1, line 3, after "Virginia" insert "and Thief River Falls"

And when so amended the bill do pass. Amendments adopted.  
Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2128: A bill for an act relating to taxation; clarifying the apportionment of income from taconite producers to Minnesota; amending Minnesota Statutes 1978, Section 298.40, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "Section 298.40" and insert "Chapter 298"

Page 1, line 9, delete "subdivision" and insert "section"

Page 1, line 10, delete "Subd. 4." and insert "[298.401] [APPORTIONMENT OF INCOME.]" and after "to" insert "section 298.40,"

Amend the title as follows:

Page 1, line 4, delete "Section 298.40" and insert "Chapter 298"

Page 1, line 5, delete "subdivision" and insert "section"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

H. F. No. 1873: A bill for an act relating to local government in Ramsey county; providing for the membership and dues of the Ramsey county league of local governments; amending Laws 1963, Chapter 728, Section 1, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, strike "such"

Page 2, line 14, strike "such" and insert "the"

Page 2, line 15, reinstate the stricken language and delete "be"

Page 2, line 30, strike "such" and insert "the"

Page 3, line 8, strike "such"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2116: A bill for an act proposing an amendment to the Minnesota Constitution, Article X, Section 6; removing restrictions upon the power to tax the mining, production or beneficiation of copper, copper-nickel or nickel.

Reports the same back with the recommendation that the bill

do pass and be re-referred to the Committee on Judiciary. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1286: A bill for an act relating to commerce; providing for the qualification of free distribution newspapers as legal newspapers; amending Minnesota Statutes 1978, Section 331.02, Subdivisions 1 and 6; repealing Minnesota Statutes 1978, Sections 16.61 and 331.09.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 4, after line 22, insert:

*"Sec. 4. [EFFECTIVE DATE.] This act is effective the day following final enactment."*

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1956: A bill for an act relating to real estate; providing for a state land registration assurance fund; combining the tax forfeited land assurance account with the land registration assurance fund; eliminating separate county assurance funds; appropriating money; amending Minnesota Statutes 1978, Sections 284.28, Subdivisions 8, 9 and 10; 508.75; 508.77; 508.79; 508.82; and 541.024, Subdivision 1; repealing Minnesota Statutes 1978, Section 508.83.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, delete section 9

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "508.79;" insert "and"

Page 1, line 9, delete "and 541.024, Subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1985: A bill for an act relating to municipal electric power; permitting municipal power agencies to contract and do

business with foreign entities; amending Minnesota Statutes 1978, Section 453.52, Subdivision 9.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was re-referred

H. F. No. 567: A bill for an act relating to privacy of communications; permissible monitoring; amending Minnesota Statutes 1978, Section 626A.02, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 21 and 22, delete the new language and insert a period

Page 2, lines 1 to 4, delete the new language and insert "*Until July 31, 1982, any communication common carrier that utilizes service observing or random monitoring pursuant to this subdivision shall accompany the monitoring with a beep or electronic tone at 15 second intervals to inform parties of the monitoring and shall publish in each telephone directory a notice of the purpose and effect of the beep or electronic tone*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 1753: A bill for an act relating to labor; regulating certain steam engines and boilers and steam engine and boiler operators; amending Minnesota Statutes 1978, Chapter 183, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, after "*boilers*" insert "*when used only for demonstration purposes*"

Page 1, line 17, after "*years*" insert "*according to law*"

Page 1, line 17, delete everything after the period

Page 1, delete line 18

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1876: A bill for an act relating to financial institutions; excluding certain loans made by credit unions in calculating

outstanding loans and risk assets for reserve fund purposes; amending Minnesota Statutes 1978, Section 52.17.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, strike the old language and delete the new language

Page 2, lines 19 to 21, delete the new language and insert "The following"

Page 2, line 23, before the period insert "*: loans to other credit unions; loans fully secured by a pledge of savings in the lending credit union equal to and maintained to at least the amount of the loan outstanding; loans which are purchased or acquired from liquidating or merging credit unions and guaranteed by an insurance corporation pursuant to section 52.24; loans insured or guaranteed by the United States or the state of Minnesota, any agency or instrumentality of the United States or the state of Minnesota, to the amount of the insurance or guarantee*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2295: A bill for an act relating to insurance; increasing the maximum limits on the insuring or reinsuring of a single risk of certain companies; defining a term; amending Minnesota Statutes 1978, Section 60A.09, Subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1735: A bill for an act relating to courts; tenth judicial district; authorizing two additional judges; authorizing appointment of a law clerk for each district court judge; amending Minnesota Statutes 1978, Sections 2.722, Subdivision 1; and 484.545, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 3, after line 14, insert:

"Sec. 2. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "authorizing two additional judges;"

Page 1, line 5, delete "Sections" and insert "Section"

Page 1, line 6, delete "2.722, Subdivision 1; and"

And when so amended the bill do pass. Amendments adopted.  
Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2346: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession and furnishing; amending Minnesota Statutes 1978, Sections 340.02, Subdivision 8; 340.035, Subdivision 1; 340.119, Subdivision 2; 340.13, Subdivision 12; 340.403, Subdivision 3; 340.73, Subdivision 1; 340.731; 340.78; 340.79; 340.80; and 340.81.

Reports the same back with the recommendation that the bill do pass. Mr. Coleman questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2338: A bill for an act relating to zoning; providing for notice of hearings; changing notice provisions for variance hearings; amending Minnesota Statutes 1978, Section 394.26, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 10, reinstate "within 500 feet of the affected property"

Page 2, line 12, delete "of"

Page 2, delete line 13

Page 2, line 14, delete "*affected property*"

And when so amended the bill do pass. Amendments adopted.  
Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2097: A bill for an act creating an interim study commission on transportation financing; prescribing its powers and duties; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1978, Section 174.03, is amended by adding a subdivision to read:

*Subd. 5a. [BIENNIAL REQUEST.] The metropolitan transit commission shall submit all biennial legislative funding requests to the commissioner of transportation for informal review. The commissioner shall determine whether the funding request is consistent with the statewide transportation plan and whether further review of the request by the metropolitan transit commission is necessary. The metropolitan transit commission shall be informed of the commissioner's comments and recommendations in writing, and shall have the opportunity to amend the request. The funding request, as amended, shall then be presented by the commissioner to the legislature along with the commissioner's final comments and recommendations.*

Sec. 2. Minnesota Statutes 1978, Section 174.50, Subdivision 1, is amended to read:

**174.50 [MINNESOTA STATE TRANSPORTATION FUND.]**  
Subdivision 1. State assistance is needed to supplement local effort and the highway user tax distribution fund in financing capital improvements to preserve and develop a balanced transportation system throughout the state. Such a balanced transportation system is a proper function and concern of state government and necessary to protect the safety and personal and economic welfare of all citizens. It requires capital expenditures for public facilities, improvements, and equipment that are complementary, additional, and alternate to the state, county, and municipal highway and street systems financed pursuant to article XIV of the constitution, and are a proper object for contracting public debt and engaging in works of internal improvement under Article XI, section 5, clause (a). Reasons for the expenditures are to prevent obstructions of highway traffic, to harmonize state and local systems with the requirements of the federal interstate highway system, to avoid harmful environmental impact of arterial highways on urban, scenic, and recreational areas, and to reduce the number of private motor vehicles on highways. Capital expenditures of this nature exceed requirements for basic highway systems and should be funded from sources other than the taxes and bonds authorized in article XIV. However, improvements financed by the capital expenditures on routes of trunk highways, county state-aid highways, and municipal state-aid streets alleviate the burden and facilitate the flow of traffic on the routes and tend to reduce the cost of maintenance to the minimum required to accommodate the traffic. Therefore it is determined that the cost of maintenance of these systems, including the improvements, may and shall continue to be paid from taxes authorized in article XIV. Immediate improvement needs are reconstruction and replacement of key bridges and approaches to remove obstructions to the flow of traffic on state and county highways, municipal streets and township roads; and expediting the completion of the interstate highway system in Minnesota by paying the state and local shares of interstate highway segments, and interstate highway substitution projects when approved by the United States secretary of transportation, the governor and the regional councils and local government units responsible.

Sec. 3. Minnesota Statutes 1978, Section 299D.02, Subdivision 1, is amended to read:

299D.02 [TRANSFER OF POWERS.] Subdivision 1. All the powers and duties of the commissioner of transportation with reference to the state highway patrol and the nationwide police communication system not heretofore provided for and enumerated in Minnesota Statutes 1967, Sections 161.48 and 161.49, are hereby transferred to and imposed upon the commissioner of public safety. In conjunction with the transfer persons in the classified service of the state who shall be transferred pursuant to section 15.015, subdivision 5, there shall be transferred to the department of public safety the personnel who are presently serving as radio dispatchers for the highway patrol. ~~Such classified employees serving as highway patrol radio dispatchers shall continue to be paid from the trunk highway fund.~~

Sec. 4. Minnesota Statutes 1978, Section 299D.04, is amended to read:

299D.04 [NATIONWIDE POLICE COMMUNICATION SYSTEM.] The commissioner of public safety may enter into the necessary agreements and purchase the necessary equipment for participation in a nationwide police communication system. All costs of participation in ~~such~~ the system by the highway patrol chargeable to the state of Minnesota shall be paid from the ~~general fund in the state treasury credited with fines and forfeited bail money.~~

Sec. 5. Minnesota Statutes 1978, Section 299D.05, Subdivision 3, is amended to read:

Subd. 3. [COST TO BE PAID OUT OF TRUNK HIGHWAY FUND.] The cost of the land acquisition, the construction, operation, and maintenance of the radio repeater station provided for herein in this section shall be paid out of the ~~trunk highway general fund.~~

Sec. 6. Minnesota Statutes 1978, Section 473.408, is amended by adding a subdivision to read:

*Subd. 8. The commission shall, on July 1 of each year beginning July 1, 1981, establish annual fares for its regular route bus service program. The fares shall not be changed or adjusted before July 1 of the next succeeding year.*

Sec. 7. Minnesota Statutes 1978, Section 473.435, is amended to read:

473.435 [BUDGET PREPARATION; SUBMISSION.] The commission shall prepare, submit and adopt a budget in the manner provided in, and otherwise comply with, the provisions of section 473.163 and section 1 of this act.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 473.436, Subdivision 5, is amended to read:

Subd. 5. [BUS PURCHASES AND OTHER IMPROVE-

MENTS.] In addition to obligations outstanding on July 1, 1977 January 1, 1980, the commission may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding \$9,000,000 for the purposes of purchasing buses and related equipment, and constructing maintenance and other buildings, bus shelters and road related improvements.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 473.446, Subdivision 1, is amended to read:

473.446 [TRANSIT TAX LEVIES.] Subdivision 1. [AMOUNT.] For the purposes of Sections 473.401 to 473.451 and the metropolitan transit system, the metropolitan transit commission shall levy each year upon all taxable property within the metropolitan transit taxing district, defined herein in this section, a transit tax consisting of:

(a) An amount equal to ~~1.72~~ 2.0 mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating regular route bus 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 1 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.

Sec. 10. Minnesota Statutes 1978, Chapter 171, is amended by adding a section to read:

[171.261] [FINANCING OF DRIVER'S LICENSE DIVISION.] *All costs of salaries, equipment, maintenance, operation and administration of the driver's license division shall be paid from the general fund pursuant to legislative appropriation.*

Sec. 11. Minnesota Statutes 1978, Chapter 299D, is amended by adding a section to read:

[299D.08] [FINANCING OF DIVISION OF HIGHWAY PATROL.] *All costs of salaries, equipment, maintenance, operation and administration of the division of highway patrol in the department of public safety shall be paid from the general fund pursuant to legislative appropriation.*

Sec. 12. [AUTHORIZATION OF STATE TRANSPORTATION BONDS.] *The commissioner of finance upon request of the governor shall issue and sell Minnesota state transportation bonds in the aggregate principal amount of \$25,000,000 for the purpose and upon the conditions provided in Minnesota Statutes, Section 174.51, and article XI of the constitution. The proceeds of the bonds, except premium and accrued interest, are appropriated to*

*and shall be deposited in the Minnesota state transportation fund for expenditure in accordance with section 13 and Minnesota Statutes, Section 174.50.*

**Sec. 13. [APPROPRIATIONS.]** *\$25,000,000, or a lesser amount determined to be needed, is appropriated from the Minnesota state transportation fund to the commissioner of transportation to pay the state's share of the cost of construction of the interstate highway system in Minnesota in cooperation with the United States secretary of transportation, including the state and local share of a transit or highway project for service of urbanized and connecting corridors in unurbanized areas which is approved by the secretary, the governor, and the regional councils and local government units responsible, in substitution for interstate routes withdrawn from the areas.*

**Sec. 14. Subdivision 1. [RAIL AND NINE TON ROAD SURVEY.]** *The commissioner of transportation shall conduct a survey of communities within the state in order to determine:*

*(a) Which communities are not adequately being served by either rail access or nine ton roads;*

*(b) The costs of upgrading roads to either nine or ten ton capacity in those communities which are not adequately serviced; and*

*(c) Any other information concerning the possible improvement and revitalization of transportation services to those communities which the commissioner deems relevant.*

**Subd. 2. [FINAL REPORT.]** *The commissioner shall submit his findings, conclusions and recommendations to the legislature, including written and oral presentations, to the appropriate standing committees, no later than January 6, 1981.*

**Sec. 15. [APPROPRIATION.]** *The sum of \$5,000 is appropriated from the general fund to the commissioner of transportation for the purposes of section 14, and is available for expenditure until January 6, 1981.*

**Sec. 16. [STATE TRANSPORTATION BONDS; ISSUANCE AND SALE.]** *The commissioner of finance shall, upon the request of the commissioner of transportation, issue and sell Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, Section 174.51, Subdivision 1, in the aggregate principal amount of \$50,000,000 in the manner and upon the conditions prescribed in Minnesota Statutes, Section 174.51, and in Article XI of the Minnesota Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, Section 174.51, Subdivision 5, shall be deposited in the Minnesota state transportation fund for expenditure in accordance with section 17, subdivision 1, and Minnesota Statutes, Section 174.50.*

**Sec. 17. [APPROPRIATION.]** *Subdivision 1. \$50,000,000, or a lesser amount determined to be needed, is appropriated from the Minnesota state transportation fund to the department of trans-*

*portation to be expended by the commissioner of transportation for construction and reconstruction of rural roads to either nine or ten ton capacity in those communities which are not adequately serviced by those roads on the state transportation system. The appropriation shall not lapse, but shall remain available until expended."*

Page 3, after line 2 insert:

*"Sec. 19. [RELEASE OF FUNDS.] Notwithstanding other laws or interagency agreements to the contrary, the commissioner of transportation shall immediately release the unencumbered balance remaining in the performance funding and social fare reimbursement grants accounts as appropriated in Extra Session Laws 1979, Chapter 1, to the metropolitan transit commission for its regular route bus service program for the biennium ending June 30, 1981. The metropolitan transit commission shall continue to fulfill its obligations as provided in sections 174.24, subdivision 4, and 174.28.*

*Sec. 20. [APPROPRIATION.] In addition to the amounts appropriated for transit assistance grants in Extra Session Laws 1979, Chapter 1, the sum of \$5,000,000 is appropriated to the commissioner of transportation for the purpose of providing financial assistance to the metropolitan transit commission for its regular route bus service program. This amount shall be exclusive of, and in addition to, the performance funding payments received by the commission. This appropriation is available for expenditures until June 30, 1981."*

**Renumber the sections in sequence**

**Underline all new language in the bill**

**Amend the title as follows:**

**Page 1, delete lines 2 to 4 and insert:**

*"relating to transportation; creating an interim study commission on transportation; financing the divisions of highway patrol and driver's license from the general fund; authorizing the issuance and sale of Minnesota state transportation bonds for certain purposes; requiring the commissioner of transportation to conduct a survey of certain communities to determine certain information; providing grants for certain purposes; increasing the tax levy and borrowing authority of the metropolitan transit commission; modifying certain duties and report requirements of the metropolitan transit commission; appropriating money; amending Minnesota Statutes 1978, Sections 174.03, by adding a subdivision; 174.50, Subdivision 1; 299D.02, Subdivision 1; 299D.04; 299D.05, Subdivision 3; 473.408, by adding a subdivision; 473.435; Chapters 171, by adding a section; and 299D, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 473.436, Subdivision 5; and 473.446, Subdivision 1."*

**And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.**

Mr. Laufenburger from the Committee on Employment, to which was referred the following appointment as reported in the Journal for February 11, 1980:

**WORKERS' COMPENSATION COURT OF APPEALS**

James R. Otto

Reports the same back to the Senate without recommendation.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1834, 1824 and 2024 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1834	2220				
1824	1763				
2024	2059				

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 2187 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2187	2152				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2187 be amended as follows:

Page 1, line 9, delete "highways" and insert "transportation"

And when so amended H. F. No. 2187 will be identical to S. F. No. 2152, and further recommends that H. F. No. 2187 be given its second reading and substituted for S. F. No. 2152, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 2341, 2128, 1753, 1876, 2295, 1735 and 2338 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 1985, 1834, 1824, 2024 and 2187 were read the second time.

H. F. Nos. 1272, 1742, 1684, 1873, 1286, 1956 and 567 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**MOTIONS AND RESOLUTIONS**

Mr. McCutcheon moved that the name of Mr. Stokowski be stricken as chief author and that his name be shown as chief author to S. F. No. 883. The motion prevailed.

Mr. Bang moved that the name of Mr. Stumpf be added as co-author to S. F. No. 1749. The motion prevailed.

Mr. Schmitz moved that H. F. No. 2152 be withdrawn from the Committee on Local Government and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 2119 now on General Orders. The motion prevailed.

S. F. No. 801 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S. F. NO. 801**

A bill for an act relating to non-alcoholic beverages; requiring laboratory examination of certain beverages; deleting registration exemption for identified beverages; amending Minnesota Statutes 1978, Section 34.05, Subdivision 1; repealing Minnesota Statutes 1978, Section 34.05, Subdivision 2.

March 11, 1980

The Honorable Edward J. Gearty  
President of the Senate

The Honorable Fred C. Norton  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 801, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Howard A. Knutson, William P. Luther, Gerald L. Willet

House Conferees: (Signed) Douglas W. Carlson, Elton R. Redalen, George L. Mann, Henry J. Kalis

Mr. Knutson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 801 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 801 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Lessard	Peterson	Staples
Bang	Gunderson	Luther	Pillsbury	Stern
Barrette	Hanson	McCutcheon	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Jensen	Nelson	Rued	Stumpf
Brataas	Johnson	Nichols	Schaaf	Tennesen
Chmielewski	Keefe, S.	Ogdahl	Schmitz	Ueland, A.
Coleman	Kirchner	Olhoft	Setzepfandt	Ulland, J.
Davies	Knaak	Olson	Sieloff	Vega
Dieterich	Knoll	Omann	Sikorski	Willet
Engler	Knutson	Penny	Sillers	
Frederick	Laufenburger	Perpich	Spear	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

#### CALENDAR

S. F. No. 1700: A bill for an act relating to insurance; regulating suicide provisions in life insurance contracts; amending Minnesota Statutes 1978, Chapter 61A, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Lessard	Penny	Sillers
Bang	Gunderson	Luther	Perpich	Spear
Barrette	Hanson	McCutcheon	Peterson	Stern
Benedict	Humphrey	Menning	Pillsbury	Stokowski
Bernhagen	Jensen	Merriam	Purfeerst	Strand
Brataas	Johnson	Moe	Renneke	Stumpf
Chmielewski	Keefe, S.	Nelson	Rued	Tennesen
Coleman	Kirchner	Nichols	Schaaf	Ueland, A.
Davies	Knaak	Ogdahl	Schmitz	Ulland, J.
Dieterich	Knoll	Olhoft	Setzepfandt	Vega
Engler	Knutson	Olson	Sieloff	Willet
Frederick	Laufenburger	Omann	Sikorski	

So the bill passed and its title was agreed to.

H. F. No. 711: A bill for an act relating to highway traffic regulations; authorizing physician's trained mobile intensive care paramedics to withdraw blood for the purpose of determining the presence of alcohol or controlled substances under the implied consent law; amending Minnesota Statutes 1978, Section 169.123, Subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Luther	Perpich	Staples
Bang	Humphrey	McCutcheon	Peterson	Stern
Barrette	Jensen	Menning	Pillsbury	Stokowski
Benedict	Johnson	Merriam	Purfeerst	Strand
Bernhagen	Keefe, S.	Moe	Renneke	Stumpf
Brataas	Kirchner	Nelson	Rued	Tennessee
Chmielewski	Kleinbaum	Nichols	Schaaf	Ueland, A.
Davies	Knaak	Ogdahl	Schmitz	Ulland, J.
Dieterich	Knoll	Olhoff	Sieloff	Vega
Engler	Knutson	Olson	Sikorski	Willet
Frederick	Laufenburger	Omann	Sillers	
Gearty	Lessard	Penny	Spear	

Mr. Gunderson voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1903: A bill for an act relating to energy; modifying certain planning and zoning statutes to remove barriers to biomass energy production; prohibiting the destruction of certain biomass usable as fuel; amending Minnesota Statutes, 1979 Supplement, Sections 394.25, Subdivision 3; and 394.27, Subdivision 7; 462.357, Subdivisions 1 and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	McCutcheon	Pillsbury	Stokowski
Bang	Humphrey	Menning	Purfeerst	Strand
Barrette	Jensen	Merriam	Renneke	Stumpf
Benedict	Johnson	Moe	Rued	Tennessee
Bernhagen	Keefe, S.	Nelson	Schaaf	Ueland, A.
Brataas	Kirchner	Nichols	Schmitz	Ulland, J.
Chmielewski	Kleinbaum	Ogdahl	Setzepfandt	Vega
Davies	Knaak	Olhoff	Sieloff	Wegener
Dieterich	Knoll	Olson	Sikorski	Willet
Engler	Knutson	Omann	Sillers	
Frederick	Laufenburger	Penny	Spear	
Gearty	Lessard	Perpich	Staples	
Gunderson	Luther	Peterson	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1995: A bill for an act relating to municipal industrial revenue bonds; providing for reports; amending Minnesota Statutes 1978, Chapter 474, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Peterson	Stern
Bang	Hanson	McCutcheon	Pillsbury	Stokowski
Barrette	Humphrey	Menning	Purfeerst	Strand
Benedict	Jensen	Merriam	Renneke	Stumpf
Bernhagen	Johnson	Moe	Rued	Tennessee
Brataas	Keefe, S.	Nelson	Schaaf	Ueland, A.
Chmielewski	Kirchner	Nichols	Schmitz	Ulland, J.
Davies	Kleinbaum	Ogdahl	Setzepfandt	Vega
Dieterich	Knaak	Olhoff	Sieloff	Wegener
Dunn	Knoll	Olson	Sikorski	Willet
Engler	Knutson	Omann	Sillers	
Frederick	Laufenburger	Penny	Spear	
Gearty	Lessard	Perpich	Staples	

So the bill passed and its title was agreed to.

H. F. No. 1601: A bill for an act relating to political parties; allowing members of political party committees and delegates to party conventions to take certain leave time from employment; providing penalties; amending Minnesota Statutes 1978, Chapter 202A, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 4, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Penny	Spear
Bang	Hanson	Luther	Perpich	Staples
Benedict	Humphrey	McCutcheon	Peterson	Stern
Bernhagen	Jensen	Menning	Pillsbury	Stokowski
Brataas	Johnson	Merriam	Purfeerst	Strand
Chmielewski	Keefe, S.	Moe	Renneke	Stumpf
Coleman	Kirchner	Nelson	Rued	Ueland, A.
Dieterich	Kleinbaum	Nichols	Schaaf	Vega
Dunn	Knaak	Ogdahl	Schmitz	Wegener
Engler	Knoll	Olhoff	Setzepfandt	Willet
Frederick	Knutson	Olson	Sikorski	
Gearty	Laufenburger	Omann	Sillers	

Messrs. Barrette, Sieloff, Tennessee and Ulland, J. voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1797: A bill for an act relating to the Minnesota zoological garden; supplementing and clarifying the authority of

the zoological garden board in regard to penalties for rule violations; regulating the use of the name or mark of the garden; providing penalties; amending Minnesota Statutes 1978, Section 85A.02, Subdivision 7; and Chapter 333, by adding sections.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Aashbach	Gearly	Lessard	Peterson	Stern
Bang	Gunderson	Luther	Pillsbury	Stokowski
Barrette	Hanson	Menning	Purfeerst	Strand
Benedict	Humphrey	Merriam	Renneke	Stumpf
Bernhagen	Jensen	Moe	Rued	Tennessee
Brataas	Johnson	Nelson	Schaaf	Ueland, A.
Chmielewski	Keefe, S.	Nichols	Schmitz	Ulland, J.
Coleman	Kirchner	Ogdahl	Setzepfandt	Vega
Davies	Kleinbaum	Olhoff	Sieloff	Wegener
Dieterich	Knaak	Olson	Sikorski	Willet
Dunn	Knoll	Omann	Sillers	
Engler	Knutson	Penny	Spear	
Frederick	Laufenburger	Perpich	Staples	

So the bill passed and its title was agreed to.

H. F. No. 1427: A bill for an act relating to banks; raising the amount of an employee loan possible without prior board approval; amending Minnesota Statutes 1978, Section 48.08.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Aashbach	Frederick	Laufenburger	Penny	Sillers
Bang	Gearly	Lessard	Perpich	Spear
Barrette	Gunderson	Luther	Peterson	Staples
Benedict	Hanson	McCutcheon	Pillsbury	Stokowski
Bernhagen	Humphrey	Menning	Purfeerst	Strand
Brataas	Jensen	Merriam	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Tennessee
Coleman	Keefe, S.	Nelson	Schaaf	Ueland, A.
Davies	Kirchner	Nichols	Schmitz	Ulland, J.
Dieterich	Kleinbaum	Olhoff	Setzepfandt	Vega
Dunn	Knoll	Olson	Sieloff	Wegener
Engler	Knutson	Omann	Sikorski	Willet

Mrs. Knaak voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1623: A bill for an act relating to insurance; providing for the operation of the Minnesota life and health insurance guaranty association; correcting certain oversights and ambiguities; making certain improvements; amending Minnesota Statutes 1978,

Sections 61B.02, Subdivision 1; 61B.05, by adding a subdivision; 61B.07, Subdivisions 1, 2, 3 and 7; and 61B.15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stokowski
Bang	Hanson	Menning	Purfeerst	Strand
Barrette	Humphrey	Merriam	Renneke	Stumpf
Benedict	Jensen	Moe	Rued	Tennessee
Bernhagen	Johnson	Nelson	Schaaf	Ueland, A.
Brataas	Keefe, S.	Nichols	Schmitz	Ulland, J.
Chmielewski	Kirchner	Ogdahl	Setzepfandt	Vega
Coleman	Kleinbaum	Olhoff	Sieloff	Wegener
Dieterich	Knaak	Olson	Sikoraki	Willet
Dunn	Knoll	Omann	Sillers	
Engler	Knutson	Penny	Spear	
Frederick	Laufenburger	Perpich	Staples	
Gearty	Lessard	Peterson	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1985: A bill for an act relating to municipal industrial development; requiring consideration of certain policy matters; defining projects; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1b; and Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Peterson	Stern
Bang	Hanson	McCutcheon	Pillsbury	Stokowski
Barrette	Humphrey	Menning	Purfeerst	Strand
Benedict	Jensen	Merriam	Renneke	Stumpf
Bernhagen	Johnson	Moe	Rued	Tennessee
Brataas	Keefe, S.	Nelson	Schaaf	Ueland, A.
Chmielewski	Kirchner	Nichols	Schmitz	Ulland, J.
Coleman	Kleinbaum	Ogdahl	Setzepfandt	Vega
Dieterich	Knaak	Olhoff	Sieloff	Wegener
Dunn	Knoll	Olson	Sikoraki	Willet
Engler	Knutson	Omann	Sillers	
Frederick	Laufenburger	Penny	Spear	
Gearty	Lessard	Perpich	Staples	

So the bill passed and its title was agreed to.

S. F. No. 2094: A bill for an act relating to game and fish; excluding bears from the definition of fur bearing animals; requiring licenses of persons providing guide services for bear hunters; specifying fees; requiring tagging of bears taken in the state; providing for free fishing licenses for certain mentally retarded

and disabled residents; extending the muskrat trapping season; changing the times of day during which certain wild animals may be taken; authorizing a season for taking sandhill cranes; regulating bear baiting; allowing sale of bear hides and claws; altering the end date of certain fishing seasons; allowing possession of dip nets under certain circumstances; amending Minnesota Statutes 1978, Sections 97.40, Subdivision 7; 98.46, Subdivisions 4, 16 and 22; 98.47, Subdivisions 15 and 16; 100.27, Subdivision 5; 100.29, Subdivisions 1 and 31; 100.30; 101.41, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 100.27, Subdivision 4; and 101.42, Subdivision 18.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Menning	Peterson	Stern
Barrette	Jensen	Merriam	Pillsbury	Stokowski
Bernhagen	Johnson	Moe	Renneke	Strand
Brataas	Kirchner	Nelson	Rued	Ueland, A.
Chmielewski	Kleinbaum	Nichols	Schaaf	Vega
Davies	Knaak	Ogdahl	Schmitz	Wegener
Dunn	Knutson	Olhoft	Setzpfandt	Willet
Engler	Laufenburger	Olson	Sieloff	
Frederick	Lessard	Omann	Sillers	
Gearty	Luther	Penny	Solon	
Gunderson	McCutcheon	Perpich	Staples	

Those who voted in the negative were:

Bang	Humphrey	Purfeerst	Spear	Tennessee
Benedict	Keefe, S.	Sikorski	Stumpf	Ulland, J.
Dieterich	Knoll			

So the bill passed and its title was agreed to.

S. F. No. 2109: A bill for an act relating to transportation; permitting establishment of toll bridges on county highways and county state aid highways; authorizing the issuance of revenue bonds to finance their cost; amending Minnesota Statutes 1978, Chapter 165, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 23, as follows:

Those who voted in the affirmative were:

Bang	Gearty	Knutson	Omann	Setzpfandt
Benedict	Hanson	Laufenburger	Penny	Sillers
Bernhagen	Jensen	Menning	Peterson	Staples
Brataas	Johnson	Moe	Pillsbury	Stokowski
Chmielewski	Keefe, S.	Nelson	Purfeerst	Strand
Dunn	Kirchner	Nichols	Renneke	Ueland, A.
Engler	Kleinbaum	Ogdahl	Rued	Wegener
Frederick	Knaak	Olson	Schmitz	Willet

Those who voted in the negative were:

Ashbach	Gunderson	Merriam	Sikorski	Tennessee
Barrette	Humphrey	Olhoft	Solon	Ulland, J.
Coleman	Knoll	Perpich	Spear	Vega
Davies	Luther	Schaaf	Stern	
Dieterich	McCutcheon	Sieloff	Stumpf	

So the bill passed and its title was agreed to.

H. F. No. 1453: A bill for an act relating to retirement; authorizing payment of severance pay to retiring employees; validating past payments; amending Minnesota Statutes 1978, Section 356.24; and Minnesota Statutes, 1979 Supplement, Section 465.72.

Mr. Setzepfandt moved that H. F. No. 1453, No. 11 on the the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

#### CONSENT CALENDAR

H. F. No. 1778: A bill for an act relating to Independent School District No. 466; permitting the sale of certain land.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	McCutcheon	Purfeerst	Stokowski
Bang	Gunderson	Menning	Renneke	Strand
Barrette	Hanson	Merriam	Rued	Stumpf
Benedict	Humphrey	Moe	Schaaf	Tennessee
Bernhagen	Jensen	Nelson	Schmitz	Ulland, A.
Brataas	Johnson	Nichols	Setzepfandt	Ulland, J.
Chmielewski	Keefe, S.	Olhoft	Sieloff	Vega
Coleman	Kirchner	Olson	Sikorski	Wegener
Davies	Kleinbaum	Omann	Sillers	Willet
Dieterich	Knaak	Penny	Solon	
Dunn	Knutson	Perpich	Spear	
Engler	Lessard	Peterson	Staples	
Frederick	Luther	Pillsbury	Stern	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

#### MOTIONS AND RESOLUTIONS

Mr. Tennessee moved that H. F. No. 2122 be withdrawn from the Committee on Commerce and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 2295 now in the Subcommittee on Bill Scheduling. The motion prevailed.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 2195, 1794, 1601, 1430, 1803, 336, 2074, 2184, 1964, 2042, 870, 2183, 2264, 1931, 1832, 1801, 1865, 1826, 1867 and H. F. Nos. 2287, 2222 and 924, which the committee recommends to pass.

S. F. No. 1732, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 1208, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 1332, which the committee recommends be re-referred to the Committee on Commerce.

S. F. No. 2288, which the committee recommends be returned to its author.

S. F. No. 2318, which the committee recommends be returned to its author.

S. F. No. 2231, which the committee recommends to pass with the following amendments offered by Messrs. Sikorski and Sillers:

Mr. Sikorski moved to amend S. F. No. 2231 as follows:

Page 2, line 15, reinstate "mental and"

Page 3, line 3, after "*retain the*" insert "*mental or*"

The motion prevailed. So the amendment was adopted.

Mr. Sikorski then moved to amend S. F. No. 2231 as follows:

Page 5, line 3, after "*Upon*" insert "*the*"

Page 5, line 4, after "*welfare,*" insert "*whichever is the appropriate employing authority, with the approval of the legislative advisory committee and with notification to and receipt of comments from the legislative commission on pensions and retirement,*"

Page 5, line 5, after "*certify*" insert "*additional civil service classifications at state adult correctional or security hospital facilities*"

Page 5, line 6, delete the comma

Page 5, line 7, delete "*appropriate new classifications*" and after "*as*" insert "*positions rendering*"

The motion prevailed. So the amendment was adopted.

Mr. Sillers moved to amend S. F. No. 2231 as follows:

Page 5, after line 8, insert:

**"Sec. 6. [PENSION COVERAGE FOR MOORHEAD POLICE CHIEF.]** *Notwithstanding Minnesota Statutes, Section 353.64, Subdivision 1, or any other general or special law to the contrary, the person employed by the city of Moorhead on the effective date of this act as chief of police shall be a member of the public employees police and fire fund established by Minnesota Statutes, Sections 353.63 to 353.68 and not of the local police relief association. Any employee contributions made to the local police relief association shall be transferred to the public employees police and fire fund. In addition an amount which together with the amount transferred is equal to the total employer and employee contributions pursuant to Minnesota Statutes, Section 353.65, which would have been required by the public employees police and fire fund during the period between initial employment as chief of police and the effective date of this act, shall be paid by the city into the public employees police and fire fund, which shall credit the chief of police with service as a member for this period only upon receipt of the required amounts."*

Page 5, line 9, delete "This act is" and insert "[EFFECTIVE DATE.] Sections 1 to 5 are" and after "1980." insert "Section 6 is effective upon approval by the Moorhead city council and upon compliance with Minnesota Statutes, Section 645.021."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "retirement;" insert "public safety employee retirement funds;"

Page 1, line 3, after "retirement" insert "for the correctional employees retirement plan; Moorhead police chief; membership in the public employees police and fire fund"

The motion prevailed. So the amendment was adopted.

S. F. No. 2101, which the committee recommends to pass with the following amendment offered by Mr. Penny:

Page 3, line 4, delete the comma

Page 3, line 5, after "auditor" delete the comma

The motion prevailed. So the amendment was adopted.

S. F. No. 2190 which the committee reports progress, subject to the following motion:

Mr. Stumpf moved to amend S. F. No. 2190 as follows:

Page 1, line 13, delete "or" and insert a comma

Page 1, line 13, after "college" insert ", or professional school"

Page 1, line 20, delete "act" and insert "section"

Page 1, line 21, delete "act" and insert "section"

Page 2, after line 1, insert:

"Sec. 2. Laws 1955, Chapter 151, Section 1, Subdivision 5, as amended by Laws 1963, Chapter 271, Section 2, is amended to read:

Subd. 5. "**Widow**" "**Surviving spouse**" means a **woman person** who was the **wife spouse** of a member or a pensioner while he or **she** was an active member, and who, in case the deceased member was a service pensioner, deferred pensioner, *or on duty* or non duty disability pensioner, was married to the member at least one year before his *or her* retirement from the police department; but does not include a surviving **wife spouse** of a member or a pensioner who deserts him *or her* or a common law **wife spouse** of a member or a pensioner.

Sec. 3. Laws 1955, Chapter 151, Section 3, Subdivision 2, is amended to read:

Subd. 2. This association shall create, maintain, and administer a policemen's pension fund for the benefit of its members, their **widows surviving spouses**, and their children.

Sec. 4. Laws 1955, Chapter 151, Section 13, as amended by Laws 1963, Chapter 271, Section 7, and Laws 1971, Chapter 549, Section 2, is amended to read:

Sec. 13. The association shall pay a pension to the **widow surviving spouse** or any child under 18 years of age of any pensioned and retired member, or to the **widow surviving spouse** or any child under 18 years of age of any member who dies while in the service of the city police department, or to the **widow surviving spouse** or any child under 18 years of age of any member who, after being a member of the city police department for not less than 20 years, severs his *or her* connection with the department, and dies before attaining the age of 50 years. The association shall pay to any such **widow surviving spouse** a pension of 20 units per month. The association shall pay to any such child under 18 years of age a pension of five units per month until the child attains the age of 18 years, provided, however, that if such child is married at the time of the death of the member or marries or becomes legally adopted after the death of the member, ~~such~~ *the* child shall not be entitled to such benefits. If the **widow surviving spouse** and children reside together, the pension payable to the children shall be paid to the **widow surviving spouse** and shall be used for the support of ~~such~~ *the* children. If a **widow surviving spouse** remarries, ~~her~~ *the* pension immediately ceases and the association shall not make any further pension payments ~~to her~~. For the purposes of this section, all provisions governing a child under 18 shall be extended to include a full time student under the age of 23.

Sec. 5. Laws 1955, Chapter 151, Section 16, is amended to read:

Sec. 16. [SURVIVING SPOUSE AND CHILD OF MEMBER CONVICTED OF FELONY.] If a member convicted of a felony is receiving a pension at the time of his conviction and his **wife or her surviving spouse** and any of his children under 18 years of age had no part in the commission of ~~such~~ *the* felony, in the event of the death of ~~such~~ *the* member, ~~such~~ *widow the surviving spouse* and children may receive ~~such~~ *any* pensions as they would otherwise be entitled to receive from the association."

Underline all new language in the bill

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert “; correcting gender references in the St. Paul police retirement law; amending Laws 1955, Chapter 151, Sections 1, Subdivision 5, as amended; 3, Subdivision 2; 13, as amended; and 16”

The motion prevailed. So the amendment was adopted.

S. F. No. 2190 was then progressed.

H. F. No. 1931 which the committee reports progress, subject to the following motion:

Mr. Sieloff moved to amend H. F. No. 1931 as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1978, Section 550.37, is amended by adding subdivisions to read:

*Subd. 21. Rights of action for injuries to the person of the debtor or of a relative whether or not resulting in death.*

*Subd. 22. The debtor's aggregate interest not to exceed in value \$4,000 in any accrued dividend or interest under or loan value of any unmaturing life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.*

*Subd. 23. The debtor's right to receive a payment under a stock bonus, pension, profit sharing, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.”*

Page 88, line 18, delete “*This act*” and insert “*Section 2*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete “Ramsey County” and insert “revision of laws”

Page 1, line 2, after the semicolon, insert “exempting certain insurance contracts, employee benefits and rights of action from garnishment or attachment;”

Page 1, line 3, after “amending” insert “Minnesota Statutes 1978, Section 550.37, by adding subdivisions; and”

The motion prevailed. So the amendment was adopted.

H. F. No. 1931 was then progressed.

S. F. No. 1636 which the committee reports progress, subject to the following motion:

Mr. Knoll moved to amend S. F. No. 1636 as follows:

Page 3, after line 30, insert:

*"For the purposes of this section, "agency" shall have the meaning given to it in section 16.098, subdivision 1, clause (3)."*

The motion prevailed. So the amendment was adopted.

S. F. No. 1636 was then progressed.

S. F. No. 2071, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 2, after line 7, insert:

*"Sec. 2. [EFFECTIVE DATE.] This act is effective the day following final enactment."*

The motion prevailed. So the amendment was adopted.

H. F. No. 2135, which the committee recommends to pass with the following amendment offered by Mr. Dieterich:

Page 2, after line 17, insert:

*"Sec. 2. [EFFECTIVE DATE.] Section 1 is effective the day following final enactment. Any grandparent, sister or brother being held responsible to contribute necessary care and support on that date is relieved of that responsibility thereafter, and any actions pending under Minnesota Statutes 1978, Section 256.87, Subdivision 1, on that date shall be changed to conform with section 1."*

The motion prevailed. So the amendment was adopted.

S. F. No. 1997, which the committee recommends to pass with the following amendment offered by Mr. Johnson:

Page 3, after line 23, insert:

*"Sec. 5. [COOK COUNTY; INDEPENDENT SCHOOL DISTRICT NO. 166; STEAM LINE CONSTRUCTION AGREEMENTS.] Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, Chapter 373, 375, 471, 475, or any other law to the contrary, Independent School District No. 166 and the board of commissioners of Cook County may exercise the powers granted by this section.*

*Subd. 2. The school board of Independent School District No. 166 may sell excess steam from its existing wood fueled steam generating plant to any customer on the terms and conditions it deems reasonable.*

*Subd. 3. The school board and the board of commissioners of Cook County may make an agreement for the school district to furnish the excess steam from its existing wood fueled steam generating plant to Cook County for its public buildings on any terms and conditions and for any time agreed to by the parties.*

The agreement may provide for separate or joint ownership and construction of a steam line and other necessary facilities to accomplish the purpose of the agreement. The parties may acquire the easements necessary to accomplish the purpose of the agreement by gift, lease, or purchase. The parties may finance the acquisition of the easements and construction projects by use of grants from outside sources or the unrestricted available funds of either party. The parties may agree that all or part of an expenditure made by one party for purposes of this section shall be reimbursed by the other party on the terms and conditions agreed to by the parties.

Sec. 6. [APPLICABILITY.] On its effective date, section 5 applies to Independent School District No. 166 and Cook County.

Sec. 7. [LOCAL APPROVAL.] Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (a), section 5 is effective without local approval the day following final enactment. Section 5 shall expire on January 1, 1982, if the agreement authorized by section 5, subdivision 3, has not been made by that date."

Page 3, line 24, delete "This act is" and insert "Sections 1 to 4 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "Austin" insert "and Cook County"

Page 1, line 4, after "program" insert "in the city of Austin; providing for steam line construction agreements for Cook County and Independent School District No. 166"

The motion prevailed. So the amendment was adopted.

S. F. No. 2136, which the committee recommends to pass, subject to the following motion:

Mr. Keefe, J. moved to amend S. F. No. 2136 as follows:

Page 1, line 11, delete "Thursday" and insert "second business day"

The motion prevailed. So the amendment was adopted.

Mr. Ulland, J. moved to amend S. F. No. 2136 as follows:

Page 1, after line 16, insert:

"Sec. 2. Minnesota Statutes 1978, Section 10A.27, is amended by adding a subdivision to read:

*Subd. 9. No candidate shall permit his principal campaign committee to accept a contribution from a lobbyist registered in accordance with section 10A.03 at any time during an even-numbered calendar year before the adjournment sine die of the legislature, or at any time during an odd-numbered year before the closing recess of the legislature."*

Amend the title as follows:

Page 1, line 3, after "ballots" insert "; clarifying campaign contribution requirements; amending Minnesota Statutes 1978, Section 10A.27, by adding a subdivision."

Mr. Keefe, S. questioned whether the Ulland, J. amendment was germane.

The Chair ruled that the amendment was not germane.

S. F. No. 2265, which the committee recommends to pass with the following amendment offered by Mr. Stern:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1978, Section 238.08, is amended by adding a subdivision to read:

*Subd. 5. Municipalities may, by agreement under section 471.59, jointly prepare, grant and administer a franchise within a core service unit and extension areas. The adoption and granting of a franchise pursuant to this subdivision is deemed to comply with procedural requirements of statute or charter for the granting of a franchise, but all other municipal statutory and charter powers and limitations with regard to the franchise are not affected thereby."*

Page 1, line 13, delete "This act" and insert "Section 2"

Page 1, after line 15, insert:

"Sec. 4. [EFFECTIVE DATE.] Section 1 is effective the day following final enactment."

Renumber the sections in sequence

Underline all new language in the bill

Amend the title as follows:

Page 1, line 2, delete "the city of Bloomington" and insert "municipalities; authorizing joint municipal franchising for cable communications"

Page 1, line 3, before the period, insert "by the city of Bloomington; amending Minnesota Statutes 1978, Section 238.08, by adding a subdivision"

The motion prevailed. So the amendment was adopted.

S. F. No. 2134, which the committee recommends to pass with the following amendment offered by Mr. Willet:

Page 5, line 2, after the period insert "*From the appropriation made by this section, the commissioner of natural resources may grant to the University of Minnesota an amount not to exceed \$150,000 for the purposes of conducting feasibility studies of hydroelectric power generation and engineering evaluations of dam safety.*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### RECESS

Mr. Coleman moved that the Senate do now recess until 8:00 o'clock p.m. The motion prevailed.

The hour of 8:00 o'clock p.m. having arrived, the President called the Senate to order.

#### CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Frederick	Knutson	Pillsbury	Strand
Bang	Gearly	Laufenburger	Rued	Stumpf
Barrette	Gunderson	Lessard	Schmitz	Tennessee
Benedict	Humphrey	Moe	Setzepfandt	Ueland, A.
Bernhagen	Johnson	Nichols	Sieloff	Ulland, J.
Brataas	Keefe, S.	Ogdahl	Solon	Vega
Chmielewski	Kirchner	Olhoff	Spear	Wegener
Coleman	Kleinbaum	Omann	Staples	Willet
Engler	Knaak	Perpich	Stokowski	

The Sergeant at Arms was instructed to bring in the absent members.

#### MEMBERS EXCUSED

Mr. Anderson was excused from the Session of today. Messrs. Knoll and Purfeerst were excused from this evening's Session. Mr. Solon was excused from the Session of today at 10:00 o'clock p.m. Mr. Keefe, J. was excused from the Session of today from 1:00 to 4:00 o'clock p.m.

Without objection, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

#### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Peterson, Ogdahl, Strand, Schmitz and Renncke introduced—

S. F. No. 2397: A bill for an act relating to retirement; Minneapolis teachers retirement fund association; providing for an ad hoc post retirement adjustment to certain benefit recipients; increasing percentage automatic annual post retirement adjustments for active members; increasing member contribution rate; authorizing amendment of articles of incorporation.

Referred to the Committee on Governmental Operations.

Mr. Schaaf introduced—

S. F. No. 2398: A bill for an act relating to retirement; Fridley volunteer firefighters' relief association; authorizing increases in service pensions for retired members; authorizing membership of a retired member on the board of trustees of the relief association.

Referred to the Committee on Governmental Operations.

Messrs. Spear; Keefe, S. and Johnson introduced—

S. F. No. 2399: A bill for an act relating to banking; creating the bank of Minnesota.

Referred to the Committee on Commerce.

Mr. Moe, for the Committee on Finance, introduced—

S. F. No. 2400: A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; appropriating money; amending Minnesota Statutes 1978, Sections 15.0597, Subdivisions 3, 4, 5, 6 and 7; 16.854, Subdivision 1; 16A.131; 16A.67, Subdivision 1; 97.431, Subdivision 4; 97.432; 174.03, by adding a subdivision; 155.14; 214.06, Subdivision 1; 256.73, Subdivision 2; 256D.06, by adding a subdivision; 403.11, Subdivision 3; 473.408, by adding a subdivision; 473.435; and Chapters 16, by adding a section; and 97, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 3.3005, Subdivision 4; 16A.126; 138.92; 180.03, Subdivision 2; Laws 1979, Chapters 300, Section 4, Subdivisions 1 and 5; and 332, Article I, Section 115, Subdivision 2; repealing Minnesota Statutes, 1979 Supplement, Section 16.965.

Under the rules of the Senate, laid over one day.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

#### REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 2113, 2263, 1835, 2253, 2385, 2351, 1134, 1717 and H. F. Nos. 644, 1800, 1435, 1653, 1996, 2075 and 2374 makes the following report:

That the above Senate Files and House Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

**APPOINTMENTS**

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S. F. No. 364: Messrs. McCutcheon, Willet and Sillers.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 1415, 1853, 1749, 1690, 1648, 2062 and 251, which the committee recommends to pass.

S. F. No. 2080, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 2193, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 3, line 9, after "lawful" insert "and enforceable in accordance with its terms until the indebtedness is fully satisfied"

The motion prevailed. So the amendment was adopted.

H. F. No. 1814, which the committee recommends to pass with the following amendment offered by Mr. Benedict:

Page 2, after line 27, insert:

"Sec. 2. [31.50] [LIABILITY OF FOOD DONORS.] *Subdivision 1. For the purposes of this section,*

*"Distressed food" means, in addition to the definition in section 31.495, certain perishable foods, as defined in section 28A.03, which may not be readily marketable due to appearance, freshness, grade, surplus or other considerations and are not suspect of having been rendered unsafe or unsuitable for food use and are adequately labeled.*

*Subd. 2. A food manufacturer, distributor, processor or person who donates or collects distressed food to or for a charitable organization as defined in section 309.50, subdivision 4, for distribution at no charge to the elderly or needy, or who directly distributes distressed food to the elderly or needy at no charge, shall not be liable for any injury, including but not limited to injury resulting from the ingesting of the distressed food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the food manufacturer, processor, distributor or person.*

*Subd. 3. A charitable organization as defined in section 309.50, subdivision 4, which in good faith collects or receives distressed food and distributes it at no charge to the elderly or needy shall not be liable for any injury, including but not limited to injury resulting from the ingesting of the distressed food, unless the injury is caused by the gross negligence, recklessness or intentional misconduct of the charitable organization.*

*Subd. 4. The provisions of this section shall not restrict the authority of the commissioner to regulate or ban the use or consumption of distressed food donated, collected or received for charitable purposes."*

Amend the title as follows:

Page 1, line 3, after the semicolon insert "limiting liability of donors of distressed food;"

Mr. Bernhagen questioned whether the Benedict amendment was germane.

The Chair ruled that the amendment was germane.

The question was taken on the adoption of the amendment. The motion prevailed. So the amendment was adopted.

S. F. No. 2117, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 2, line 1, reinstate "in"

Page 2, line 1, after the stricken "instalments" insert "installments"

Page 2, lines 2 to 4, reinstate the stricken language

Page 2, line 5, after the stricken "instalments" insert "installments" and reinstate ", including principal and interest,"

Page 2, line 5, after the stricken "such" insert "the"

Page 2, line 6, reinstate "to be payable monthly" and before "to" insert "installments"

Page 2, lines 6 and 7, delete the new language

Page 2, line 13, reinstate "as required"

Page 2, line 14, reinstate "by this clause"

Page 2, lines 18 to 22, delete the new language

Page 3, after line 14, insert:

*"(5) Renegotiable rate notes or bonds secured by mortgages or trust deeds where the notes or bonds do not exceed 95 percent of the appraised value of the security for the same.*

*For the purposes of this clause, a renegotiable rate mortgage loan is a loan issued for a term of three years to five years, secured by a mortgage maturing in not to exceed 30 years, and automatically renewable at equal intervals after the original loan*

*term which may be up to 6 months shorter or longer than subsequent terms. The loan must be repayable in equal monthly installments of principal and interest during the loan term, in an amount at least sufficient to amortize a loan with the same principal and at the same interest rate over the remaining life of the mortgage.*

*In the mortgage documents, the savings bank must grant to the borrower an option to renew the loan for a new term, but not beyond the maturity date of the mortgage, at a new interest rate which shall be the savings bank's then current market rate of interest on similar loans. The option to renew the loan may be conditioned upon the borrower having consistently repaid principal and interest in a timely manner during the existing loan term. Interest rate increases are optional with the savings bank; net decreases from the previous loan term are mandatory.*

*The borrower may not be charged costs connected with the renewal of the loan, except for nominal costs of preparing and recording documents."*

Page 3, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1978, Section 51A.02, is amended by adding a subdivision to read:

*Subd. 4a. Pursuant to rules the commissioner finds necessary and proper "direct reduction loan" also means renegotiable rate notes or bonds secured by mortgages or trust deeds where the notes or bonds do not exceed 95 percent of the appraised value of the security for the same.*

*For the purposes of this subdivision, a renegotiable rate mortgage loan is a loan issued for a term of three years to five years, secured by a mortgage maturing in not to exceed 30 years, and automatically renewable at equal intervals after the original loan term which may be up to 6 months shorter or longer than subsequent terms. The loan must be repayable in equal monthly installments of principal and interest during the loan term, in an amount at least sufficient to amortize a loan with the same principal and at the same interest rate over the remaining life of the mortgage.*

*In the mortgage documents, the association must grant to the borrower an option to renew the loan for a new term, but not beyond the maturity date of the mortgage, at a new interest rate which shall be the association's then current market rate of interest on similar loans. The option to renew the loan may be conditioned upon the borrower having consistently repaid principal and interest in a timely manner during the existing loan term. Interest rate increases are optional with the association; net decreases from the previous loan term are mandatory.*

*The borrower may not be charged costs connected with the renewal of the loan, except for nominal costs of preparing and recording documents."*

Amend the title as follows:

Page 1, line 9, delete "4," and after "8" delete the comma and after "17" insert ", and by adding a subdivision"

The motion prevailed. So the amendment was adopted.

S. F. No. 630, which the committee recommends to pass with the following amendment offered by Mr. Schaaf:

Page 8, after line 25, insert:

"Sec. 14. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1255, which the committee recommends to pass with the following amendment offered by Mr. Lessard:

Pages 2 and 3, delete section 2 and insert:

"Sec. 2. Minnesota Statutes, 1979 Supplement, Section 282.15, is amended to read:

282.15 [SALES OF FORFEITED LANDS.] Such sale shall be conducted by the auditor of the county wherein such parcels lie and shall be sold to the highest bidder but not for less than the appraised value. Such sales shall be for cash or on the following terms: The appraised value of all merchantable timber on such agricultural lands shall be paid for in full at the date of sale. At least 15 percent of the purchase price of the land shall be paid in cash at the time of purchase, and the balance in not to exceed 20 equal annual instalments with interest at the rate of ~~four~~ *eight* percent per annum on the unpaid balance each year, both principal and interest to become due and payable on December 31 each year following that in which the purchase was made. The purchaser may pay any number of instalments of principal and interest on or before their due date. When the sale is on terms other than for cash in full the purchaser shall receive from the county auditor a contract for deed, in such form as shall be prescribed by the attorney general. The county auditor shall make a report to the commissioner of natural resources not more than 30 days after each public sale, showing the lands sold at such sales, and submit a copy of each contract of sale.

All lands sold pursuant to the provisions hereof shall, on the second day of January following the date of such sale, be restored to the tax rolls and become subject to taxation in the same manner as the same were assessed and taxed before becoming the absolute property of the state."

Amend the title as follows:

Page 1, line 5, delete "282.15;"

Page 1, line 7, before the period, insert "; and Minnesota Statutes, 1979 Supplement, Section 282.15"

The motion prevailed. So the amendment was adopted.

S. F. No. 1649, which the committee recommends to pass with the following amendment offered by Mr. Gunderson:

Page 2, line 1, strike "such" and insert "*whole*"

Page 2, line 6, after "solids" insert "*or protein*"

Page 2, line 6, delete everything after "therein"

Page 2, delete lines 7 to 9

Page 2, line 10, delete "*hundredweight*"

Page 2, lines 18 to 28, delete the new language

The motion prevailed. So the amendment was adopted.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 1:00 o'clock p.m., Thursday, March 20, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

### EIGHTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 20, 1980

The Senate met at 1:00 o'clock p.m. and was called to order by the President.

#### CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Dunn	Knutson	Penny	Stern
Ashbach	Engler	Laufenburger	Perpich	Stokowski
Bang	Frederick	Lessard	Pillsbury	Stumpf
Barrette	Gearty	Luther	Purfeerst	Tennessee
Benedict	Gunderson	McCutcheon	Renneke	Ulland, J.
Bernhagen	Hughes	Menning	Rued	Vega
Brataas	Johnson	Merriam	Schmitz	Wegener
Chmielewski	Keefe, S.	Moe	Setzepfandt	Willet
Coleman	Kirchner	Ogdahl	Sieloff	
Davies	Kleinbaum	Olhoff	Sikorski	
Dieterich	Knaak	Omann	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Arnold H. Heumann.

The roll was called, and the following Senators answered to their names:

Anderson	Gearty	Laufenburger	Perpich	Staples
Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Johnson	Luther	Pillsbury	Stokowski
Barrette	Hughes	McCutcheon	Purfeerst	Strand
Benedict	Humphrey	Menning	Renneke	Stumpf
Bernhagen	Jensen	Merriam	Rued	Tennessee
Brataas	Johnson	Moe	Schaaf	Ulland, A.
Chmielewski	Keefe, S.	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoff	Sikorski	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Penny	Spear	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communications were received and referred to the committees indicated.

February 28, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

The following appointments to the Minnesota Higher Education Coordinating Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Robert W. Bonine, 2376 Pagel Road, Mendota Heights, Dakota County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1984.

Richard J. Dunn, 17815 4th Avenue North, Wayzata, Hennepin County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1983.

Carol J. Kamper, 2204 Valkyrie Drive NW, Rochester, Olmsted County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1984.

Hugh G. Madson, 11060 32nd Street North, Lake Elmo, Washington County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1984.

Harding C. Noblitt, 2014 South Fourth Street, Moorhead, Clay County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1981.

Norman F. Tempel, 420 West 9th, Willmar, Kandiyohi County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Education)

Sincerely,  
Albert H. Quie, Governor

March 18, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
	455	355	March 18	March 18
824		356	March 18	March 18
888		357	March 18	March 18
1114		358	March 18	March 18
1438		359	March 18	March 18
1625		360	March 18	March 18

Sincerely,  
Joan Anderson Growe,  
Secretary of State

March 19, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
951		361	March 18	March 19
1010		362	March 18	March 19
1215		363	March 18	March 19

Sincerely,  
Joan Anderson Growe,  
Secretary of State

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1273, 1471, 1645, 1646 and 1722.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 19, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1674: A bill for an act relating to labor; exempting seamen from the fair labor standards act; amending Minnesota Statutes, 1979 Supplement, Section 177.23, Subdivision 7.

Senate File No. 1674 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 19, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Laufenburger moved that the Senate concur in the amendments by the House to S. F. No. 1674 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1674 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Purfeerst	Stokowski
Bang	Hanson	Menning	Renneke	Strand
Barrette	Hughes	Merriam	Rued	Stumpf
Benedict	Humphrey	Moe	Schmitz	Tennessee
Bernhagen	Jensen	Nelson	Setzepfandt	Ueland, A.
Chmielewski	Johnson	Nichols	Sieloff	Ulland, J.
Coleman	Keefe, S.	Olhoff	Sikoraki	Vega
Davies	Kirchner	Omann	Sillers	Wegener
Dieterich	Kleinbaum	Penny	Solon	Willet
Dunn	Knoll	Perpich	Spear	
Engler	Laufenburger	Peterson	Staples	
Gearty	Lessard	Pillsbury	Stern	

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1670 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 268.37; 290.01, Subdivision 20; and 290.06, Subdivision 14.

Senate File No. 1670 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 19, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 2082, 2185 and 1812.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1980

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 2082: A bill for an act relating to elections; providing for special elections to fill vacancies in statutory city offices; amending Minnesota Statutes 1978, Sections 205.10; 205.17, Subdivision 1; and 412.02, Subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2138 now on General Orders.

H. F. No. 2185: A bill for an act relating to the Knife Lake Improvement District in Kanabec County; authorizing Kanabec County to finance the cost of a certain improvement within the district.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2137 now on General Orders.

H. F. No. 1812: A bill for an act relating to drivers licenses; requiring certain applicants for drivers' licenses, instruction permits and Minnesota identification cards to submit certified copies of their birth certificates; providing that certain application forms include a place for applicants to indicate their desire to make an anatomical gift; requiring persons outside the metropolitan area who are authorized to accept drivers license and renewal applications and applications for Minnesota identification cards to inquire of applicants whether they desire to make an anatomical gift; requiring only one witness to a donor's signature; providing for a study; amending Minnesota Statutes 1978, Sections 171.06, Subdivision 3, and by adding a subdivision; and 171.07, Subdivisions 3 and 5.

Referred to the Committee on General Legislation and Administrative Rules.

### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S. F. No. 1668 and H. F. No. 102. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1693: A bill for an act relating to retirement; financing

and amounts of pensions for volunteer firefighters; amending Minnesota Statutes, 1979 Supplement, Sections 69.772, Subdivision 2a; and 424A.02, Subdivisions 3, 7, 9, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 424A.02 is amended by adding a subdivision to read:

*Subd. 9a. [POST RETIREMENT INCREASES.] Notwithstanding any provision of general or special law to the contrary, a relief association may, from time to time, with municipal approval pursuant to subdivision 10 and section 69.772, subdivision 6, or section 69.773, subdivision 6, whichever is applicable, provide a post retirement increase to retired members and other retirement benefit recipients of the relief association. The post retirement increase may only be granted pursuant to an amendment to the bylaws of the relief association and shall be applicable only to retired members and other retirement benefit recipients receiving a service pension or retirement benefit as of the effective date of the bylaw amendment. The authority to provide a post retirement increase to retired members and other retirement benefit recipients of a relief association contained in this subdivision shall supersede any prior special law authorization relating to the provision of post retirement increases.*

Sec. 2. [HIBBING; AUTHORIZATION FOR SEPARATE RELIEF ASSOCIATIONS FOR SALARIED AND VOLUNTEER FIREFIGHTERS.] *Notwithstanding any provisions of any law to the contrary, the city of Hibbing may establish and maintain or continue to maintain two separate relief associations for firefighters employed by or serving with the Hibbing municipal fire department. One relief association shall provide retirement benefit coverage for regular salaried firefighters employed by the Hibbing municipal fire department and the other relief association shall provide retirement benefit coverage for volunteer firefighters serving with the Hibbing municipal fire department. Any fire state aid amounts received by the city of Hibbing pursuant to Minnesota Statutes, Sections 69.011 to 69.051, shall be allocated proportionately between the two relief associations on the basis of the assessed property value, excluding mineral values, and the population pursuant to the most recent federal census, of the areas which are predominantly served by the members of each relief association, as determined by the governing body of the city of Hibbing.*

Sec. 3. [RESTRICTION ON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION MEMBERSHIP FOR CERTAIN PERSONS.] *No person who is employed by the city of Hibbing as a regular salaried firefighter, and who is a member of the Hibbing salaried firefighters relief association to which Minnesota Statutes, Section 69.77, applies, shall be entitled while so employed after the effective date of this act to be a member of or to accrue any service credit in the relief association which provides retirement benefit*

*coverage for volunteer firefighters serving with the Hibbing municipal fire department and to which Minnesota Statutes, Sections 69.771 to 69.776, apply.*

**Sec. 4. [PROPORTIONATE SERVICE PENSION IN CERTAIN CASES.]** *Any person who is prohibited from further membership in or from accruing further service credit in the volunteer firefighters' relief association which is established or maintained by the city of Hibbing and to which Minnesota Statutes, Sections 69.771 to 69.776 apply and who has not as of the effective date of this act received credit for sufficient years of service with the Hibbing municipal fire department or membership with the Hibbing volunteer firefighters' relief association to be entitled to a service pension without the benefit of this section shall be entitled when otherwise qualified to receive a proportionate service pension based on the number of completed years of service rounded to the nearest full years of service.*

**Sec. 5.** *Notwithstanding any general or specific law to the contrary, retirement benefits payable to retired police officers and firefighters by the Eveleth police and fire trust fund may be increased by \$50 per month. Survivor benefits payable to a surviving spouse or surviving dependent child may be increased by \$25 per month. Increases shall be retroactive to January 1, 1980.*

**Sec. 6.** Minnesota Statutes, 1979 Supplement, Section 424A.04, is amended to read:

**424A.04 [VOLUNTEER RELIEF ASSOCIATIONS; BOARD OF TRUSTEES.]** Every volunteer firefighters' relief association shall be managed by a board of trustees consisting of nine members. Six trustees shall be elected from the membership of the relief association and three trustees shall be drawn from the officials of the municipality which has a fire department to which the relief association is directly associated or the municipality which contracts or the municipalities which contract with the independent nonprofit firefighting corporation of which the relief association is a subsidiary. *The bylaws of a volunteer firefighters' association may provide that one of the six trustees required to be elected from the membership of the relief association may be a retired member of the relief association receiving a monthly pension elected by the membership of the fire department.* The ex officio trustees, if the relief association is directly associated with the fire department of a municipality, shall be the mayor, the clerk or clerk-treasurer, and the chief of the municipal fire department. The ex officio trustees, if the relief association is a subsidiary of an independent nonprofit firefighting relief corporation, shall be three elected officials of the contracting municipality designated by the governing body of the municipality if only one municipality contracts with the independent nonprofit firefighting corporation, two elected officials of the largest municipality in population and one elected official of the next largest municipality in population designated by the governing bodies of the applicable municipalities if two municipalities contract with the independent nonprofit firefighting corporation, or one elected

official of each of the three largest municipalities in population designated by the governing bodies of the applicable municipalities if three or more municipalities contract with the independent nonprofit firefighting corporation. An ex officio trustee shall have all of the rights and duties accorded to any other trustee except the right to be an officer of the board of trustees. A board shall have at least three officers, which shall be a president, a secretary and a treasurer. These officers shall be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws, and in no event shall any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board shall be specified in the bylaws of the relief association but shall not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership shall initially and shall thereafter continue to be staggered on an equal basis as is practicable.

It shall be the duty of the board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and consistent with the expressed intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, the taxpayers who aid in its financing and the firefighters who are its beneficiaries.

*Sec. 7. Any volunteer firefighters' relief association which had prior special legislative authorization to grant a post retirement increase and which approved a post retirement increase prior to the effective date of Laws 1979, Chapter 201, may grant the post retirement increase, pursuant to section 1 of this act, effective retroactively to January 1, 1980.*

*Sec. 8. [EFFECTIVE DATE.] Sections 1, 2 and 3 are effective on the day following final enactment. Sections 4, 5 and 6 are effective on the date of compliance with Minnesota Statutes, Section 645.021, Subdivision 3."*

Delete the title and insert:

"A bill for an act relating to retirement; volunteer firefighters relief associations; authorizing the provision of post retirement increases to retired volunteer firefighters; authorizing the city of Hibbing to establish or maintain separate relief associations for salaried and volunteer firefighters; restriction on volunteer firefighters relief association membership for certain persons; providing a proportionate service pension in certain cases; increasing benefits under Eveleth police and fire trust fund; authorizing retroactive post retirement increases in certain cases; providing for membership of a retired member on a relief association board of trustees; amending Minnesota Statutes, 1979 Supplement, Sections 424A.02, by adding a subdivision; and 424A.04."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1944: A bill for an act relating to local correctional facilities; updating provisions concerning county jails, city lockups and workhouses; repealing provisions concerning correctional or work farms; amending Minnesota Statutes 1978, Sections 241.022, Subdivision 1; 243.91; 588.10; 609.105, Subdivision 3; 609.135, Subdivision 4; 631.461; 641.01; 641.04; 641.06; 641.14; 641.15; 641.16; 641.18; 641.21; 641.22; 642.02, Subdivision 2; 642.03; 642.07; 643.01; 643.02; and 643.29; repealing Minnesota Statutes 1978, Sections 641.17; 641.27; 641.28; 641.29; 641.30; 641.31; 641.32; 641.33; 641.34; 641.35; 641.36; 641.37; 641.38; 642.14; 643.03; 643.04; 643.05; 643.06; 643.07; 643.08; 643.09; 643.10; 643.11; 643.12; 643.13; 643.14; 643.15; 643.16; 643.17; 643.19; and 643.20.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 11, insert:

"Sec. 3. Minnesota Statutes 1978, Section 401.02, Subdivision 3, is amended to read:

*Subd. 3. [ESTABLISHMENT AND REORGANIZATION OF ADMINISTRATIVE STRUCTURE.] Any county or group of counties which have qualified for participation in the community corrections subsidy program provided by this chapter may, after consultation with the judges of the district court, county court, municipal court, probate court and juvenile court having jurisdiction in the county or group of counties, establish, organize, and reorganize its administrative structure, including but not limited to and provide for the budgeting, staffing and operation of court services and probation, juvenile detention and juvenile correctional facilities, and other activities required to conform with to the requirements purposes of subdivision 1 notwithstanding any inconsistent special law this chapter. No contrary general or special statute divests any county or group of counties of the authority granted by this subdivision."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "243.91;" insert "401.02, Subdivision 3;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1302: A bill for an act relating to financial institutions; permitting banks and trust companies to take junior liens under certain circumstances; amending Minnesota Statutes 1978, Section 48.19, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 20, insert:

"Sec. 2. Minnesota Statutes 1978, Section 50.14, Subdivision 5, is amended to read:

Subd. 5. (1) Class four shall be:

(a) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate, whether in fee or in a leasehold of a duration not less than ten years beyond the maturity of the loan, in any state of the United States, worth at least twice the amount loaned thereon;

(b) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) where ~~sueh~~ *the* notes or bonds do not exceed 80 percent of the appraised value of the security for the same, provided that ~~sueh~~ *the* notes or bonds are payable in instalments aggregating not less than five percent of the original principal ~~per annum a year~~ in addition to the interest; or, are payable on a regular amortization basis in equal instalments, including principal and interest, ~~sueh~~ *these* instalments to be payable monthly in ~~sueh~~ amounts that the debt will be fully paid in not to exceed 30 years if the security is non-agricultural real estate, and ~~sueh~~ *these* instalments to be payable annually or semi-annually in ~~sueh~~ amounts that the debt will be fully paid in not to exceed 25 years if the security is agricultural real estate. A construction loan ~~shall be is~~ deemed amortized as required by this clause if the first instalment thereon ~~shall be is~~ payable not later than 18 months after the date of the first advance in the case of residential construction or not later than 36 months after the date of the first advance in the case of nonresidential construction; and

(c) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) which are in an original principal amount of \$100,000 or more and which do not exceed 95 percent of the appraised value of the security for the same which may be payable in ~~sueh~~ *the* manner as the trustees of the bank shall prescribe, provided that construction loans made by a savings bank pursuant to this clause (1) (c) ~~shall do not~~ exceed in the aggregate five percent of the assets of the savings bank.

(2) Class four investments shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

(3) Notwithstanding anything to the contrary in clause (1) (b), a mutual savings bank organized under the laws of this state may invest in notes or bonds secured by mortgages or trust deed where ~~sueh~~ *the* notes or bonds do not exceed 95 percent of the appraised value of the security for the same. Except as modified herein, the other provisions of clause (1) (b) ~~shall~~ apply.

(4) For purposes of this subdivision, real estate ~~shall be is~~

deemed unencumbered if the only existing mortgage or lien against the real estate is a first mortgage lien in favor of the savings bank making a second mortgage loan or if the total unpaid aggregate of all outstanding liens against the same real estate does not exceed 80 percent of its appraised value.

Sec. 3. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 3, delete "and" and insert a comma

Page 1, line 3, after "companies" insert "and mutual savings banks"

Page 1, line 5, delete "Section" and insert "Sections"

Page 1, line 5, after "Subdivision 1" insert "; and 50.14, Subdivision 5"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1145: A bill for an act relating to banks and banking; providing for implementation of certain statutes relating to electronic fund transfers; authorizing the commissioner of banks to adopt temporary rules; amending Minnesota Statutes 1978, Section 47.71.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1978, Section 385.07, is amended to read:

385.07 [FUNDS, WHERE DEPOSITED OR INVESTED.] All county funds shall be deposited promptly and intact by the county treasurer in the name of the county or invested as provided in sections 471.56 and 475.66. Interest and profits which accrue from such investment shall, when collected, be credited to the general revenue fund of the county. *Where the county is authorized by law to make investments, persons designated by the board may, in accordance with rules and procedures established by the board, make electronic or wire transfers of funds, notwithstanding any other law to the contrary.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "banking" insert "and electronic fund transfers"

Page 1, line 5, after the semicolon, insert "permitting counties to make electronic fund transfers;"

Page 1, line 6, delete "Section" and insert "Sections"

Page 1, line 6, before the period, insert "; and 385.07"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1895: A bill for an act relating to human rights; further defining certain unfair discriminatory practices related to reprisals; defining the scope of a class for class action suits; increasing a penalty by increasing allowable punitive damages; amending Minnesota Statutes 1978, Sections 363.03, Subdivision 7; 363.071, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 363.06, Subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 475: A bill for an act relating to hospitals; requiring adoption of federal medicare standards for hospital licensing; regulating hospital inspections; providing for licensing of hospitals accredited by the joint commission on hospital accreditation; amending Minnesota Statutes 1978, Sections 144.55; and 144.50, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, delete the new language

Page 2, delete lines 1 to 5

Page 2, line 12, after "as" delete "the"

Page 2, line 12, delete "certification" and insert "*hospital certification regulations promulgated pursuant to Title XVIII of the Social Security Act, 42 U.S.C., Section 1395, et. seq.*"

Page 2, delete lines 13 to 15

Page 2, line 16, delete "construction."

Page 2, line 17, after "Federal" insert "Hospital Certification"

Page 2, line 17, after "Regulations" insert "promulgated"

Page 2, line 18, delete "September 1978" and insert "*the effective date of this section*"

Page 2, line 19, delete "for" and insert "to protect the"

Page 2, line 19, after the period, insert "*Further, the commissioner shall promulgate in rule additional minimum standards for new construction.*"

Page 2, line 31, after "or" insert "accreditation"

Page 3, line 12, after the period, insert "*The commissioner shall also conduct any inspection necessary to determine whether hospital construction, addition or remodeling projects comply with standards for construction promulgated in rule pursuant to subdivision 3.*"

Page 3, line 13, delete "annually" and insert ", pursuant to section 144.653,"

Page 3, line 20, after "conducting" delete "a" and after "of" delete "a"

Page 3, line 20, delete "inspection" and insert "inspections"

Page 3, line 20, delete "hospital" and insert "hospitals"

Page 3, line 28, delete "shall" and insert "may"

Page 4, line 29, delete everything after the period and insert "*At each such hearing, the commissioner shall have the burden of establishing that a violation described in subdivision 6 has occurred.*"

Page 4, delete lines 30 to 33

Page 5, delete lines 1 and 2

Page 5, line 17, delete "stated" and insert "described"

Page 5, line 18, delete "2" and insert "3"

Page 5, line 18, delete "rules" and insert "minimum quality standards"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 102: A bill for an act relating to children; changing liability of parents for damage done by their minor children; amending Minnesota Statutes 1978, Section 540.18, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 609.223, is amended to read:

609.223 [ASSAULT IN THE THIRD DEGREE.] Whoever ~~assaults another and inflicts substantial bodily harm~~ *does any of the following* 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:

(1) *Assaults another and inflicts substantial bodily harm; or*

(2) *Commits an act which would constitute criminal sexual conduct in the first, second or third degree but for the application of section 609.349.*

*Sec. 2. This act is effective June 1, 1980, and applies to all crimes committed on or after that date."*

Amend the title as follows:

Page 1, line 2, delete "children; changing liability of" and insert "crimes; further specifying the crime of assault in the third degree;"

Page 1, delete line 3

Page 1, line 4, delete "1978" and insert ", 1979 supplement"

Page 1, line 4, delete "540.18," and insert "609.223."

Page 1, delete line 5

And when so amended the bill do pass. Mr. Nelson questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1607: A bill for an act relating to state government; recodifying the laws governing the state board of investment; providing for the appointment of an executive director and detailing his duties and powers; defining terms; establishing standards for the investment of state and pension assets; repealing Minnesota Statutes 1978, Sections 11.01 to 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12 to 11.14; 11.15 to 11.28; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

Section 1. [11A.01] [STATEMENT OF PURPOSE.] *The purpose of sections 1 to 23 is to establish standards which will insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.*

Sec. 2. [11A.02] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 1 to 23, the terms defined in this section shall have the meanings given them.*

*Subd. 2. "State board" means the Minnesota state board of investment created by Article XI, Section 8, of the constitution of the state of Minnesota for the purpose of administering and directing the investment of all state funds and pension funds.*

*Subd. 3. "Council" means the investment advisory council created by section 6.*

*Subd. 4. "Fund" means any of the individual funds, including but not limited to the permanent school fund, general fund of the state, retirement funds and other funds and accounts for which the state board has responsibilities.*

*Subd. 5. "Director" means the executive director of the state board.*

*Subd. 6. "Management" means the performance or delegation of general management duties relating to any fund established pursuant to this chapter.*

**Sec. 3. [11A.03] [STATE BOARD; MEMBERSHIP; ORGANIZATION.]** *Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, the state board shall be composed of the governor, state auditor, state treasurer, secretary of state and attorney general. The governor shall serve as ex officio chairman of the state board.*

**Sec. 4. [11A.04] [DUTIES AND POWERS.]** *The state board shall:*

*(1) Act as trustees for each fund for which it invests or manages moneys in accordance with the standard of care set forth in section 7.*

*(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board shall allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board shall not be subject to the administrative procedure act.*

*(3) Employ an executive director as provided in section 5.*

*(4) Employ investment advisors and consultants as it deems necessary.*

*(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.*

*(6) Maintain a record of its proceedings.*

*(7) As it deems necessary, establish advisory committees subject to the provisions of Minnesota Statutes, Section 15.059, to assist the board in carrying out its duties.*

*(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or his agent.*

*(9) Direct the state treasurer to sell property other than money which has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property shall be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.*

*(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.*

*(11) Establish a formula or formulas to measure management*

*performance and return on investment. All public pension funds in the state shall utilize the formula or formulas developed by the state board.*

**Sec. 5. [11A.07] [EXECUTIVE DIRECTOR.]** *Subdivision 1. [SELECTION.] The state board shall select an executive director.*

*Subd. 2. [QUALIFICATIONS.] The director of the state board shall be well qualified by training to administer and invest the money available for investment and possess experience in the management of institutional investment portfolios. The director shall be in the unclassified state service and serve at the pleasure of the state board.*

*Subd. 3. [CONFIRMATION.] The employment of the director shall be subject to the advice and consent of the senate in the same manner as the appointment of executive officers is confirmed by the senate.*

*Subd. 4. [DUTIES AND POWERS.] The director, at the direction of the state board, shall:*

*(1) Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the state board.*

*(2) Employ such professional and clerical staff as is necessary within the complement limits established by the legislature. These employees shall be in the unclassified service of the state.*

*(3) Report to the state board on all operations under his control and supervision.*

*(4) Maintain accurate and complete records of securities transactions and official activities.*

*(5) Purchase and sell all securities on the basis of competitive offerings or bids received from at least two firms known to specialize in the securities being traded and likely to position these securities in relevant quantities. Competitive bidding shall not be required when the securities to be traded are: listed or traded on a major United States exchange, bound by underwriting restrictions or classified as private placements and offered only to a limited number of institutional investors.*

*(6) Cause all securities acquired to be kept in the custody of the state treasurer or such other depositories as the state board deems appropriate.*

*(7) Prepare and file with the director of the legislative reference library, on or before November 15 of each year, a report summarizing the activities of the state board, the council and the director during the preceding fiscal year. The report shall be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers and brokerage organizations.*

(8) *Require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of their investment activities.*

(9) *Receive and expend legislative appropriations.*

(10) *Undertake any other activities necessary to implement the duties and powers set forth in this subdivision.*

**Sec. 6. [11A.08] [INVESTMENT ADVISORY COUNCIL.]**  
**Subdivision 1. [MEMBERSHIP.]** *There is created an investment advisory council consisting of ten members who are experienced in general investment matters and who shall be appointed by the state board.*

**Subd. 2. [DUTIES AND POWERS.]** *The council shall:*

(1) *Advise the state board and the director on general policy matters relating to investments;*

(2) *Advise the state board and the director on methods to improve the rate of return on invested money while insuring adequate security for that money;*

(3) *Advise the state board and the director on the form and content of the report required by section 5, subdivision 4, clause (7), so that the report clearly and objectively discloses the investment activities of the state board and the director;*

(4) *Perform other tasks of an advisory nature as requested by the state board.*

**Subd. 3. [OFFICERS; MEETINGS.]** *The council shall annually elect a chairman and vice chairman from among its members, and may elect other officers as necessary. The council shall meet at least every other month and upon the call of the chairman of the council or the chairman of the state board.*

**Subd. 4. [TERMS; COMPENSATION; REMOVAL; VACANCIES.]** *The membership terms, compensation and removal of members appointed by the state board, and filling of vacancies of such members shall be as provided in Minnesota Statutes, Section 15.059 except that council members shall not receive a per diem.*

**Subd. 5. [LIABILITY; INDEMNIFICATION.]** *A member of the council shall be indemnified and held harmless by the state for any reasonable costs or expenses incurred as a result of any actual or threatened litigation or administrative proceedings arising out of the performance of the member's duties, except an action brought by the state or agency thereof arising from the failure of a council member to perform duties in the manner prescribed in section 7.*

**Subd. 6. [CONFLICT OF INTEREST; ECONOMIC INTEREST STATEMENT.]** *No member of the council may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic*

gain to the member. Additionally, no member of the council appointed by the state board may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to his employer. Members of the council shall file with the board of ethical practices an economic interest statement in a manner as prescribed by Minnesota Statutes, Section 10A.09, Subdivisions 5 and 6.

Sec. 7. [11A.09] [STANDARD OF CARE.] *In the discharge of their respective duties, the members of the state board, director, board staff, members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 1 to 23 shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.*

Sec. 8. [11A.10] [DUTIES OF OTHER OFFICIALS.] *Subdivision 1. [CUSTODY OF SECURITIES.] The state treasurer and other custodians of securities belonging to the various funds shall provide in the appropriate cases the state board and its delegates with reasonable access thereto. Each security shall be held as an asset of the fund from which the investment expenditure was made.*

*Subd. 2. [ESCHEATED PROPERTY.] The commissioner of finance shall report immediately to the state board all personal property other than money received by the state of Minnesota as escheated property. If the state board elects to sell escheated property, all moneys received from the sale shall be credited to the general fund of the state.*

*Subd. 3. [AUDITS.] State audits of the activities of the state board and its delegates shall be conducted by the legislative auditor.*

*Subd. 4. [OFFICE SPACE.] The commissioner of administration shall provide the director and staff with suitable office and storage space in the state capitol complex as near as practicable to the office of the state treasurer.*

Sec. 9. [11A.11] [INVESTMENT AND EXPENSE APPROPRIATION.] *There is appropriated to the state board annually, and from time to time, the various moneys as are available for investment in the various funds subject to their supervision and control, for the purposes of the purchase, sale, exchange and lending of securities, reinvestment activities, payment of the execution expenses of securities transactions, amortization of premiums or accumulation of discounts, and contribution and redemption of participation in the funds.*

Sec. 10. [11A.12] [GAINS AND LOSSES; DISPOSITION.] *All interest and profit accruing from and all losses incurred by investment activity shall be credited to or borne by the fund from which the investment was made.*

Sec. 11. [11A.13] [ASSETS AND DOCUMENTATION.] *Subdivision 1. [LEGAL TITLE TO FUND ASSETS.] Legal title to the assets of state funds to be invested by the state board shall be in the state of Minnesota, or its nominees. Legal title to pension funds to be invested by the state board shall be in the state board, or its nominees, as trustees for any person having a beneficial interest in the applicable fund subject to the rights of the particular funds maintaining shares, investment participation or units in the accounts to their credit.*

*Subd. 2. [RIGHTS OF EMPLOYEES; VALIDITY OF DOCUMENTATION.] The rights of any public employee to any assets in the retirement funds shall be as fixed by the law or laws authorizing or requiring a retirement fund to purchase or order the redemption of investment participations or units on behalf of the public employee. The state board may rely on the documents, forms and applications of the various retirement funds which accompany money for investment or orders to redeem assets as being made in concert with the applicable law and with the rights of the public employees concerned. Accordingly, the state board need not inquire into the legality or validity of any documents, forms and applications.*

Sec. 12. [11A.14] [MINNESOTA COMBINED INVESTMENT FUND.] *Subdivision 1. [ESTABLISHMENT.] There is hereby established a Minnesota combined investment fund for the purpose of providing an investment vehicle for assets of the participating funds. The combined fund shall consist of the following investment accounts: a cash management account and an equity account.*

*Subd. 2. [ASSETS.] The assets of the combined investment fund shall consist of the moneys certified to and received by the state board from participating retirement plans and funds which shall be used to purchase investment shares in the appropriate investment accounts. Each participating fund shall own an undivided participation in all the assets of the combined fund. As of any date, the total claim of a participating fund on the assets in each account shall be equal to the ratio of units owned by a fund in each account to the total issued units then outstanding.*

*Subd. 3. [MANAGEMENT.] The combined investment fund shall be managed by the state board.*

*Subd. 4. [INVESTMENTS.] The assets of the combined investment fund shall be invested by the state board subject to the provisions of section 22 with the following exceptions:*

*(a) The cash management account shall be invested in fixed-income obligations with maturities of less than three years.*

*(b) The equity account may be completely invested in corporate stocks.*

*Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] The following public retirement plans and*

*funds shall participate in the Minnesota combined investment fund:*

*(1) State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;*

*(2) Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;*

*(3) Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;*

*(4) Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;*

*(5) Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;*

*(6) Teachers retirement fund established pursuant to Minnesota Statutes, Chapter 354;*

*(7) Judges retirement fund established pursuant to Minnesota Statutes, Chapter 490; and*

*(8) Any other fund required by law to participate.*

*Subd. 6. [INITIAL TRANSFER OF ASSETS.] As of July 1, 1980, or a later date as determined by the state board, the participating funds shall transfer to the combined investment fund all appropriate securities then held together with cash necessary for the purchase of even units in the combined fund accounts.*

*Subd. 7. [INITIAL VALUATION OF ASSETS AND UNITS.] All assets transferred to the Minnesota combined investment fund shall be valued at their current market value as determined by the state board, including accrued interest. The initial value of each account unit shall be \$1,000 with each participating fund allocated units in the various accounts of the Minnesota combined investment fund in the same proportion as their assets are to the total assets in each account.*

*Subd. 8. [UNREALIZED APPRECIATION (DEPRECIATION) ACCOUNT.] Any unrealized gains or losses in the value of investments incurred by a transferring fund shall be recorded in an unrealized appreciation (depreciation) account which is hereby created. Any future unrealized gains or losses shall also be recorded in this account at the close of each fiscal year.*

*Subd. 9. [VALUATION OF UNITS.] (1) Valuation of units for the equity account in the Minnesota combined investment fund shall be performed as of the last business day of each month, or more frequently should the state board determine that additional valuation dates are necessary. Valuation of units for the cash management account in the Minnesota combined investment fund shall be performed daily for every business day.*

*(2) The value of a unit for each account shall be determined by the following procedure:*

(a) *As of the close of business on the valuation date the state board shall determine the fair market value of each asset in each account, using the references, pricing services, consultants, or other methods as the state board deems appropriate.*

(b) *The sum total of the market value of all securities plus cash, less the value of undistributed income in each account, shall be divided by the number of units issued and outstanding for the account to determine the value per account unit.*

**Subd. 10. [PURCHASE AND REDEMPTION OF UNITS.]** *Purchase and redemption of units shall be on the first business day following the valuation date. All transactions shall be at the unit value as established on the immediately preceding valuation date. Except for the initial purchase of units by an authorized participant, all purchases and redemptions shall be made in cash unless the state board determines that an exception is necessary.*

**Subd. 11. [EARNINGS DEFINED.]** *Investment earnings shall be the sum total of the following of each account:*

(1) *Dividends receivable on securities trading ex-dividend up to and including the valuation date.*

(2) *Cash dividends received to and including the valuation date that were not accounted for on a previous valuation date.*

(3) *Accrued interest to and including the valuation date.*

(4) *Interest received which had not been accrued and accounted for on a prior valuation date.*

(5) *Income from the sale of options, rights, warrants, or security lending.*

(6) *Other income received to and including the valuation date.*

**Subd. 12. [DISTRIBUTION OF EARNINGS.]** *At least once each month the state board shall distribute to each participant net earnings determined proportionately in accordance with their average unit holdings in each account during the period. Unless otherwise directed by the participating fund, any distributions shall be used to purchase additional units in the accounts.*

**Subd. 13. [RECORDS REQUIRED.]** *The executive director of the state board shall keep accounting records. The records shall reflect the number of units in the Minnesota combined investment fund owned by each participating fund. No certificates or other evidence of ownership shall be required.*

**Subd. 14. [REPORTS REQUIRED.]** *As of each valuation date, or as often as the state board determines, each participant shall be informed of the number of units owned and the current value of the units. Annually, the state board shall provide to each participant, financial statements prepared in accordance with generally accepted accounting principles.*

**Sec. 13. [11A.15] [STATE BOND FUND.]** *Subdivision 1. [ESTABLISHMENT.] Pursuant to Article XI, Section 7, of the*

*constitution of the state of Minnesota, there is hereby established a state bond fund for the purpose of the timely payment of principal and interest on bonds for which the full faith and credit of the state has been pledged. The state bond fund shall be a continuation of the state bond fund in existence on January 1, 1980.*

*Subd. 2. [ASSETS.] Any money appropriated to the state bond fund, any income arising from the invested assets of the state bond fund which is not immediately required to pay the principal or interest on state bonds and any proceeds arising from the sale of any securities in the state bond fund shall constitute the assets of the state bond fund.*

*Subd. 3. [MANAGEMENT.] The state bond fund shall be managed by the state treasurer who shall, from time to time, certify to the state board those portions of the state bond fund which in the judgment of the state treasurer are not required for immediate use.*

*Subd. 4. [INVESTMENT.] The state board shall invest assets of the state bond fund subject to the provisions of section 23.*

*Subd. 5. [WITHDRAWAL OF ASSETS.] Securities sufficient to equal the amount of money certified by the state treasurer as necessary to pay the principal or interest due on state bonds in excess of any cash on hand shall be sold at the request of the state treasurer and the certified amount of money shall be transferred to the state treasurer.*

*Subd. 6. [CREDIT OF INCOME TOWARDS SUBSEQUENT APPROPRIATIONS.] Notwithstanding provisions of section 10, the net income of the state bond fund after the recovery of any losses from the sale of securities shall be deducted from the amount of any subsequent appropriations for the payment of principal and interest of state bonds.*

*Sec. 14. [11A.16] [PERMANENT SCHOOL FUND.] Subdivision 1. [ESTABLISHMENT.] Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, there is hereby established a permanent school fund which shall be a continuation of the permanent school fund in existence on January 1, 1980.*

*Subd. 2. [ASSETS.] The permanent school fund shall consist of the proceeds derived from the school lands, the swamp lands and the internal improvement lands granted to the state and all cash and investments credited to the permanent school fund, to the swamp land fund and to the internal improvement land fund.*

*Subd. 3. [MANAGEMENT.] The permanent school fund shall be managed by the commissioner of finance.*

*Subd. 4. [INVESTMENT.] The permanent school fund shall be invested by the state board in the following securities as directed by Article XI, Section 8 of the constitution of the state of Minnesota:*

*(a) Interest bearing fixed income securities of the United States and its agencies, including securities fully guaranteed by the*

*United States, bonds of Minnesota or its political subdivisions or agencies, or of other states but not more than 50 percent of any issue by a political subdivision;*

*(b) Stocks of corporations with cash dividends paid from earnings for the five consecutive years prior to purchase, but not more than 20 percent of the fund shall be invested therein nor more than one percent in stock of any one corporation, nor more than five percent of the voting stock of any one corporation shall be owned;*

*(c) Bonds of corporations whose earnings have been at least three times the interest requirements on outstanding bonds for five consecutive years or longer immediately prior to purchase, but not more than 40 percent of the fund shall be so invested;*

*(d) The percentages referred to above shall be computed using the cost price of the stocks or bonds.*

**Subd. 5. [CALCULATION OF INCOME.]** *As of the end of each fiscal year, the state board shall calculate the investment income earned by the permanent school fund. The investment income earned by the fund shall equal the amount of interest on debt securities and dividends on equity securities. If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from interest and dividend income in equal installments over a period equal to (a) the average period prior to maturity remaining on the debt securities which were sold if the sale of debt securities resulted in the loss, or (b) over a period of five years if the sale of equity securities resulted in the loss unless there is a net gain in the sale of securities sufficient to eliminate the amount of the loss prior to the end of the period. In any fiscal year in which gains on the sale of securities exceed the losses on the sales of securities, the excess shall be added to the principal of the fund.*

**Subd. 6. [DISPOSITION OF INCOME.]** *Notwithstanding provisions of section 10, the income of the permanent school fund as calculated pursuant to subdivision 5, shall be credited to the permanent school fund, and transferred to the school endowment fund as needed for payments made pursuant to Minnesota Statutes, Section 124.08.*

**Sec. 15. [11A.17] [MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND.]** **Subdivision 1. [ESTABLISHMENT.]** *There is hereby established a supplemental retirement investment fund for the purpose of providing an investment vehicle for the assets of various public retirement plans and funds. This fund shall consist of three investment accounts: an income share account, a growth share account, and a fixed-return account. The supplemental retirement investment fund shall be a continuation of the supplemental retirement fund in existence on January 1, 1980.*

**Subd. 2. [ASSETS.]** *The assets of the supplemental retirement investment fund shall consist of the moneys certified and transmitted to the state board from the participating public retirement*

*plans and funds and shall be used to purchase investment shares in the investment accounts specified by the plan or fund.*

*Subd. 3. [MANAGEMENT.] The supplemental retirement investment fund shall be managed by the state board.*

*Subd. 4. [INVESTMENT.] The assets of the supplemental retirement investment fund shall be invested by the state board subject to the provisions of section 22; provided, however, that the fixed-return account shall be invested entirely in debt obligations and the growth share account shall be invested as follows:*

*(a) Up to 100 percent of the book value may be invested in corporate stocks;*

*(b) Up to six percent of the book value may be invested in the stock of any one corporation;*

*(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22.*

*Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] Any public retirement plan or fund authorized or required by law to invest its assets in the supplemental retirement investment fund may from time to time as provided by law certify moneys to the state board for the purchase of investment shares in the investment accounts of the supplemental retirement investment account. The state board shall credit each purchase of investment shares to the appropriate participating public retirement plan or fund and shall confirm each purchase in writing to the appropriate plan or fund. Each participating public retirement plan or fund shall maintain adequate records to account for moneys certified to the supplemental retirement investment fund.*

*Subd. 6. [PARTICIPATION IN FUND.] Each public retirement plan or fund which has certified moneys to the state board for investment in the supplemental retirement investment fund shall have a participation in each investment account of the fund in which it has moneys invested. The participation shall be determined by the ratio of the number of shares credited to the public retirement plan or fund to the total number of shares in that account.*

*Subd. 7. [PURCHASE OF SHARES.] The state board shall allocate shares in the investment account or accounts at least monthly following the receipt of the funds for purchase of shares from the public retirement plan or fund as specified in the certification. The purchase price for shares shall be determined using the procedure specified in subdivision 9.*

*Subd. 8. [REDEMPTION OF SHARES.] The state board shall redeem shares in the investment account or accounts on the first business day after the valuation date next following the receipt of the request for redemption of shares from the public retirement plan or fund. The redemption value for shares shall be*

*determined using the procedure specified in subdivision 9. Moneys representing the value of the redeemed shares shall be transmitted to the public retirement plan or fund making the request.*

**Subd. 9. [VALUATION OF INVESTMENT SHARES.]** *The value of investment shares in the income share investment account or in the growth share investment account shall be determined by dividing the total market value of the securities constituting the respective account by the total number of shares then outstanding in the investment account. Whenever the value of investment shares of an investment account has exceeded \$10 per share for a period of six consecutive months, each investment share in the investment account may be split at the direction of the board on a two new shares for one prior share basis. The value of investment shares in the fixed-return investment account shall be \$5 per share; provided, however, if the fixed-return investment account shares are redeemed by a public retirement fund where the shares are not attributable to the individual account of any person prior to the expiration of the multi-year period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value. Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the state board. Notwithstanding the provisions of section 10, the investment income earned by the fixed-return investment account shall be used to purchase additional shares on behalf of each participating public retirement plan or fund.*

**Subd. 10. [CERTIFICATIONS FOR INVESTMENT AND REQUESTS FOR REDEMPTION.]** *The state board may specify the required forms for certifications of moneys for investment and requests for redemption of investment shares and may require the filing of any other documents which it deems necessary.*

**Subd. 11. [PROSPECTUS.]** *Annually, on or before July 1, the state board shall prepare and shall issue a prospectus for the supplemental retirement investment fund with separate exhibits for each investment account. The exhibit for each account shall list for each security representing the current assets of the account the following items, whichever are applicable:*

- (1) The purchase price of the security;*
- (2) The current market value of the security;*
- (3) The current dividend or interest rate of the security;*
- (4) The rating of a debt security issued by a nationally recognized rating agency if it is other than a security issued or guaranteed by the United States government.*

*The prospectus shall set forth the statutory provisions governing the supplemental retirement investment account.*

*Sufficient copies of the prospectus shall be transmitted to each public retirement plan or fund participating in the supplemental retirement investment account to meet the plan or fund's distribu-*

tion requirements. Ten copies of the prospectus shall be filed with the director of the legislative reference library.

**Subd. 12. [RATE OF INTEREST FOR FIXED RETURN.]** *At the beginning of each fiscal year, the state board shall set an assumed interest rate for moneys invested in the account during that year, with the rate applicable to all sums invested during that 12 month period. At the end of the 12 months, the state board may determine the period over which the an assumed rate is to apply to funds so invested, depending on the average yield and maturity of the securities purchased. Any earnings accrued to the account above the rate earlier indicated may be used to purchase additional shares on behalf of each participating public retirement plan or fund at fiscal year end after necessary reserves are established.*

Sec. 16. Minnesota Statutes 1978, Chapter 11, is amended by adding a section to read:

**[11A.18] [MINNESOTA POST-RETIREMENT INVESTMENT FUND.] Subdivision 1. [ESTABLISHMENT.]** *There is hereby established a post-retirement investment fund for the purpose of providing an investment vehicle for the reserves for various retirement annuities and benefits payable by the participating retirement funds and plans. The post-retirement investment fund shall be a continuation of the Minnesota adjustable fixed benefit fund in existence on January 1, 1980.*

**Subd. 2. [ASSETS.]** *The assets of the post-retirement investment fund shall consist of the moneys representing the reserves for various retirement annuities and benefits payable by participating retirement funds and plans which have been certified to and received by the state board from the participating public retirement funds and plans.*

**Subd. 3. [MANAGEMENT.]** *The post-retirement investment fund shall be managed by the state board.*

**Subd. 4. [INVESTMENT.]** *The assets of the post-retirement investment fund shall be invested by the state board subject to the provisions of section 22.*

**Subd. 5. [DEFERRED YIELD ADJUSTMENT ACCOUNT.]** *There is hereby established a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, unless the amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in the recognized value of assets other than corporate stocks and all other equity investments. In any fiscal year in which the gains on the sales of debt securities exceed the discounts realized on the sales of such securities, the excess shall be used to reduce the balance of the account.*

*Subd. 6. [PARTICIPATING PUBLIC RETIREMENT FUNDS OR PLANS.] Any public retirement fund or plan authorized by law to participate in the post-retirement investment fund shall no later than the commencement of a benefit payment from the post-retirement investment fund, certify and transfer to the state board moneys equal to the actuarially determined reserves required for those retirement annuities and benefits which are payable by the public retirement fund or plan and which are specified in law to be included in the participation in the fund. The state board shall confirm in writing each certification and transfer of moneys made by a participating public retirement fund or plan. Each participating public retirement fund or plan shall maintain adequate records to account for moneys transferred to the post-retirement investment fund.*

*Subd. 7. [PARTICIPATION IN FUND.] Each participating public retirement fund or plan which has transferred moneys to the state board for investment in the post-retirement investment fund shall have an undivided participation in the fund. The participation on any valuation date shall be determined by adding to the participation on the prior valuation date: (a) funds transferred in accordance with subdivision 6, (b) the amount of required investment income on its participation as defined in subdivision 9, clause (1)(c) and (c) the reserves for any benefit adjustment made as of the current valuation date with the result adjusted for any mortality gains or losses determined pursuant to subdivision 11.*

*Subd. 8. [WITHDRAWAL OF MONEYS.] Upon certification by the applicable executive director that a portion of the certified moneys representing the required reserves for various retirement annuities or benefits payable from the participating public retirement fund or plan are required for the payment of a retirement annuity or benefit, the state board shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified as required and shall order the transfer of that amount to the appropriate executive director.*

*Subd. 9. [CALCULATION OF POST-RETIREMENT ADJUSTMENT.] Annually, following June 30, the state board shall determine whether a post-retirement adjustment shall be payable and shall determine the amount of any post-retirement adjustment which shall be payable.*

*(1) The state board shall determine whether a post-retirement adjustment shall be payable using the following procedure:*

*(a) The state board shall determine the amount of dividends, interest, accruals and realized equity capital gains or losses applicable to the most recent fiscal year ending June 30;*

*(b) The participating public pension funds or plans shall determine the amount of reserves required for every annuitant and benefit recipient as of the current June 30. Every annuitant or benefit recipient who has been receiving an annuity or benefit for at least one year as of the current June 30 shall be eligible to*

receive a post-retirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a post-retirement benefit adjustment and those annuitants and benefit recipients who are not eligible to receive a post-retirement adjustment. The amount of the required reserves shall be certified to the board as soon as is practical following the current June 30;

(c) The state board shall determine the amount of investment income required to equal five percent of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined pursuant to clause (1)(a), to determine the amount of excess investment income. If this amount is positive, then a post-retirement adjustment may be paid.

(2) The state board shall determine the amount of any post-retirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

(b) The participating public pension funds and plans shall certify to the state board the total required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive the post-retirement adjustment as determined by clause (1)(b);

(c) If the state board determines that the book value of the assets of the fund is less than an amount equal to 100 percent of the current June 30 required reserves, with the book value to be determined after the adjustments provided for in subdivision 11, then the board shall allocate 25 percent of the excess investment income as an asset of the fund. The remaining 75 percent will be termed available for distribution. The book value of assets on any given date shall be the cost of equity investments and the amortized cost of fixed income investments.

(d) The resulting total amount available for distribution shall be increased by two and one-half percent, and the result shall be stated as a percentage of the total required reserves pursuant to clause (2)(b), and shall be certified to each participating public pension fund or plan as the amount of the post-retirement adjustment.

**Subd. 10. [PAYMENT OF POST-RETIREMENT ADJUSTMENT.]** Upon receiving the certification of the amount of the post-retirement adjustment from the state board, each participating public pension fund or plan shall determine the amount of the post-retirement adjustment payable to each eligible annuitant and benefit recipient. The dollar amount of the post-retirement adjustment payable to each annuitant or benefit recipient shall be calculated by applying the certified post-retirement adjustment percentage to the amount of the monthly annuity or benefit

payable to each eligible annuitant or benefit recipient. The post-retirement adjustment shall commence to be paid on January 1 following the calculations required pursuant to this section and shall thereafter be included in the monthly annuity or benefit paid to the recipient. Notwithstanding Minnesota Statutes, Section 356.18, any adjustment pursuant to this section shall be paid automatically unless the intended recipient files a written notice with the applicable participating public pension fund or plan requesting that the adjustment not be paid.

**Subd. 11. [ADJUSTMENT FOR MORTALITY GAINS AND LOSSES.]** As of June 30 annually, the actuary of each participating public pension fund or plan shall calculate the amount of required reserves representing any mortality gains and any mortality losses incurred by the fund or plan during the fiscal year. The actuary shall report separately the amount of the reserves for annuitants and benefit recipients who are eligible for a post-retirement benefit adjustment and the amount of reserves for annuitants and benefit recipients who are not eligible for a post-retirement benefit adjustment. If the net amount of required reserves represents a mortality gain, the participating public pension fund or plan shall certify that amount to the state board, which shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified. If the amount of required reserves represents a mortality loss, the participating public pension fund or plan shall transfer to the state board an amount equal to the amount of the net mortality loss. The amount of the transfers shall be determined before any post-retirement benefit adjustments have been made. All book values of the assets of the fund for the purposes of subdivision 9 shall be determined only after all adjustments for mortality gains and losses for the fiscal year have been made.

**Subd. 12. [APPROPRIATION OF REQUIRED AMOUNTS.]** All moneys necessary to meet the requirements of the certification of withdrawals and all moneys necessary to pay post-retirement adjustments pursuant to this section are hereby and from time to time appropriated from the post-retirement fund to the state board.

**Sec. 17. [11A.19] [VARIABLE ANNUITY INVESTMENT FUND.]** Subdivision 1. **[ESTABLISHMENT.]** There is hereby established a variable annuity investment fund for the purpose of providing an investment vehicle for the assets of the variable annuity program of the teachers retirement association. The variable annuity investment fund shall be a continuation of the variable annuity fund in existence on January 1, 1980.

**Subd. 2. [ASSETS.]** The assets of the variable annuity investment fund shall consist of all cash and investments credited to the variable annuity program of the teachers retirement association.

**Subd. 3. [MANAGEMENT.]** The variable annuity investment fund shall be managed by the state board.

**Subd. 4. [INVESTMENT.]** The assets of the variable annuity

*investment fund shall be invested by the state board subject to the provisions of section 22 except that:*

*(a) Up to 100 percent of the book value may be invested in corporate stocks;*

*(b) Up to six percent of the book value may be invested in the stock of any one corporation;*

*(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22, subdivision 5.*

*Subd. 5. [VALUATION OF FUND.] The variable annuity investment fund shall be valued by the state board bimonthly, using the closing market prices of the last business days of August, October, December, February, April and June of each fiscal year. The ratio of the total market value of investments to the admitted value of investments at the end of the preceding fiscal year, plus the cost of investment acquired, less the net receipts from investments sold during the fiscal year, shall be determined for each valuation date. The admitted value of the investments of the variable annuity investment fund at the end of each fiscal year shall be the book value of all investments held at that date multiplied by the average of the ratios at the 12 bimonthly valuation dates for the fiscal year and the immediately preceding fiscal year. The book value of investments during any fiscal year shall be the admitted value at the end of the preceding fiscal year or the cost of the investments if acquired during the fiscal year.*

*Subd. 6. [ACCOUNTING PROCEDURES.] Notwithstanding provisions of section 10, the following procedures shall be employed by the state board:*

*(1) The earnings from the investments of the variable annuity investment fund shall consist of dividends, interest and all other income derived from the investments and shall be determined on an accrual basis as of each bimonthly valuation date. The income shall be attributed to those funds in the account at the beginning of the bimonthly period. Earnings from investments shall not include changes in the admitted values of the investments.*

*(2) Any realized gain or loss shall be recorded in a realized appreciation account, and shall consist of the amount received on sale less the cost of the security. Unrealized gains or losses for any fiscal year shall be determined as provided in subdivision 5.*

*Subd. 7. [TOTAL ANNUAL INCREMENT OR DECREMENT.] The total annual increment or decrement for any one year shall be the sum of (a) the six bimonthly computations of earnings as computed under subdivision 6, clause (1); (b) total realized gains or losses for the fiscal year as computed under subdivision 6, clause (2), after adjusting for the approximate unrealized gain or loss evidenced for such securities in the admitted value; and (c) total unrealized gains or losses for the fiscal year as computed under subdivision 6, clause (2).*

**Subd. 8. [RATE OF RETURN.]** *The total annual increment or decrement divided by the admitted value of the assets of the Minnesota variable annuity fund, as computed pursuant to subdivision 5, shall be defined as the rate of return for the fiscal year. The rate of return is to be used as the percentage of increase or decrease which shall be credited to the individual member's account balances at the end of the fiscal year.*

**Sec. 18. [11A.20] [INVESTMENT OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.]** *Subdivision 1. [CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] The state treasurer shall make a report to the commissioner of finance daily or at other times as the commissioner of finance shall determine of the funds in the state treasury together with any other information which the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has advised the treasurer is currently needed, the state treasurer shall certify to the state board the amount thereof.*

**Subd. 2. [INVESTMENT.]** *The certified amount of state treasury funds not currently needed shall be invested by the state board subject to the provisions of section 23.*

**Subd. 3. [CREDITING OF INVESTMENT INCOME.]** *Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of state treasury funds not currently needed shall be credited to the general fund.*

**Sec. 19. [11A.21] [INVESTMENT OF HIGHWAY FUNDS.]** *Subdivision 1. [CERTIFICATION OF HIGHWAY FUNDS.] The commissioner of transportation shall certify to the state board those portions of the trunk highway fund established pursuant to Article XIV, Section 6 of the constitution of the state of Minnesota, the county state-aid highway fund established pursuant to Article XIV, Section 7 of the constitution of the state of Minnesota and the municipal state-aid street fund established pursuant to Article XIV, Section 8 of the constitution of the state of Minnesota which in the judgment of the commissioner are not required for immediate use.*

**Subd. 2. [INVESTMENT.]** *The certified amount of highway funds not currently needed shall be invested by the state board subject to the provisions of section 22.*

**Sec. 20. [11A.22] [STATE ZOOLOGICAL GARDEN OPERATING RECEIPTS INVESTMENT ACCOUNT.]** *Subdivision 1. [ESTABLISHMENT.] There is hereby established a zoological garden operating receipts investment account for the purpose of investing funds not required for immediate use.*

**Subd. 2. [CERTIFICATION OF RECEIPTS.]** *The state zoological garden board shall, from time to time, certify to the state board the amount of funds available for investment.*

**Subd. 3. [INVESTMENT.]** *Amounts certified to the state zoological garden operating receipts investment account shall be invested by the state board subject to the provisions of section 23.*

*Subd. 4. [CREDITING OF INVESTMENT INCOME.] Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of the account shall be credited to or borne by the state zoological garden general account.*

*Subd. 5. [WITHDRAWAL OF FUNDS.] Upon certification by the state zoological garden board that moneys in the state zoological garden operating receipts investment account are needed for current purposes, the state board shall sell sufficient securities to equal the amount of moneys certified as needed and shall order the transfer of the moneys to the state zoological garden general account.*

**Sec. 21. [11A.23] [INVESTMENT OF RETIREMENT FUNDS AND PLANS.] Subdivision 1. [CERTIFICATION OF ASSETS NOT NEEDED FOR IMMEDIATE USE.]** *Each executive director administering a retirement fund or plan enumerated in subdivision 4 shall, from time to time, certify to the state board for investment those portions of the assets of the retirement fund or plan which in the judgment of the executive director are not required for immediate use. Assets of the fund or plan required for participation in the Minnesota post-retirement adjustment fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be transferred to those funds as provided by sections 1 to 23.*

*Subd. 2. [INVESTMENT.] Retirement fund assets certified to the state board pursuant to subdivision 1 shall be invested by the state board subject to the provisions of section 22. Retirement fund assets transferred to the Minnesota post-retirement adjustment fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be invested by the state board as part of those funds.*

*Subd. 3. [WITHDRAWAL OF ASSETS.] When an executive director administering a retirement fund or plan enumerated in subdivision 4, certifies to the state board that invested assets of the fund or plan are required for immediate use, the state board shall sell securities to equal the amount of assets certified as required and shall order the transfer of the assets to the appropriate executive director.*

*Subd. 4. [COVERED RETIREMENT FUNDS AND PLANS.] The provisions of this section shall apply to the following retirement funds and plans:*

*(1) State university and state community college supplemental retirement plan established pursuant to Minnesota Statutes, Sections 136.80 to 136.87;*

*(2) State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;*

*(3) Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;*

*(4) Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;*

(5) *Unclassified employees retirement plan established pursuant to Minnesota Statutes, Chapter 352D;*

(6) *Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;*

(7) *Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;*

(8) *Teachers' retirement fund established pursuant to Minnesota Statutes, Chapter 354;*

(9) *Judges' retirement fund established pursuant to Minnesota Statutes, Chapter 490; and*

(10) *Any other funds required by law to be invested by the board.*

**Sec. 22. [11A.24] [AUTHORIZED INVESTMENTS.]** *Subdivision 1. [SECURITIES GENERALLY.] The state board shall have the authority to purchase, sell, lend or exchange the following securities for funds or accounts specifically made subject to this section including the writing of covered call options.*

*Subd. 2. [GOVERNMENT OBLIGATIONS.] The state board may invest funds in governmental bonds, notes, bills, mortgages and other fixed obligations, including guaranteed or insured issues of (a) the United States, its agencies or its instrumentalities, including financial contracts traded upon a contract market designated and regulated by a federal agency; (b) Canada and its provinces, provided the principal and interest is payable in United States dollars; (c) the states and their municipalities, political subdivisions, agencies or instrumentalities, where backed by the state's full faith and credit or if the issuer has not been in default in payments of principal or interest within the past ten years or in the case of revenue bonds the obligor has been completely self-supporting for the five prior years; (d) the International Bank for Reconstruction and development, the Inter-American Development Bank, the Asian development Bank, or any other United States Government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars and the issues are rated in the highest quality category by a nationally recognized rating agency.*

*Subd. 3. [CORPORATE OBLIGATIONS.] The state board may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:*

*(a) The principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof shall be payable in United States dollars;*

(b) *The consolidated net pretax earnings of corporations other than finance corporations shall have been on average for the preceding five years at least 1.5 times the annual interest charges on total funded debt applicable to that period;*

(c) *The consolidated net pretax earnings of banks and finance corporations shall have been on average for the preceding five years at least 1.2 times the annual interest charges on total funded debt applicable to that period;*

(d) *Obligations shall be rated among the top three quality categories by a nationally recognized rating agency or if unrated, then the corporation shall have other comparably secured issues similarly rated or the consolidated net pretax earnings of the corporation shall have been on average for the preceding five fiscal years at least twice the ratios required in clauses (b) and (c).*

*Subd. 4. [OTHER OBLIGATIONS.] The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, notes or bonds secured by mortgages, repurchase agreements and reverse repurchase agreements and savings accounts if they conform to the following provisions:*

(a) *Bankers acceptances of United States banks shall be limited to those eligible for purchase by the Federal Reserve System;*

(b) *Certificates of deposit shall be limited to those issued by banks and savings institutions that meet the collateral requirements established in Minnesota Statutes, Section 9.031, unless sufficient volume is unavailable at competitive interest rates. In that event, noncollateralized certificates of deposit may be purchased from United States banks and savings institutions that are rated in the highest quality category by a nationally recognized rating agency;*

(c) *Commercial paper shall be limited to those issued by United States corporations or their Canadian subsidiaries, shall be of the highest quality and mature in 270 days or less;*

(d) *Notes or bonds secured by first mortgages or trust deeds on improved real estate located in the United States including mortgage participation certificates and pools, with a maximum loan to value ratio of 80 percent for fully amortizable residential properties but otherwise in accordance with Minnesota Statutes, Section 61A.28, Subdivision 3. Real estate is a legal investment if acquired through a default or foreclosure;*

(e) *Repurchase agreements and reverse repurchase agreements shall be limited to one of the securities described in subdivision 2a;*

(f) *Savings accounts shall be limited to those fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.*

*Subd. 5. [CORPORATE STOCKS.] The state board may invest funds in stocks or convertible issues of any corporation or-*

ganized under the laws of the United States or the states thereof, the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange.

Sec. 23. [11A.25] [ADDITIONAL INVESTMENT PROVISIONS.] *When investing assets of any funds or accounts specifically made subject to this section or not otherwise referred to in sections 1 to 23, all securities shall be debt obligations maturing within three years of the date of purchase and shall conform to the applicable provisions of section 22.*

Sec. 24. *By January 1, 1981, the executive director shall have submitted to the state board and the legislature a report analyzing ways in which increased portions of the funds under the investment control of the state board could be invested in ways directly beneficial to all Minnesotans without increasing the risk to the funds or lowering their total rates of return. The report shall identify any statutory amendments needed to permit this increased investment. In preparing this report the director shall consult with representatives of fund beneficiaries and other persons interested in the investment of public moneys.*

Sec. 25. Minnesota Statutes, 1979 Supplement, Section 15A.081, Subdivision 1, is amended to read:

15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.] 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 July 1, 1980
	\$	\$
Administration, department of commissioner	44,000	47,000
Agriculture, department of commissioner	38,000	40,000
Commerce, department of commissioner of banks	34,000	36,500
commissioner of insurance	34,000	36,500
commissioner of securities	34,000	36,500
director of consumer services	28,000	30,000
Community college system chancellor	44,000	46,000
Corrections, department of commissioner	42,000	45,000
ombudsman	33,000	35,000

	1979	1980
	\$	\$
Crime control planning board, executive director	33,000	35,000
Economic development, department of commissioner	34,000	36,000
Economic security, department of commissioner	43,000	45,000
Education, department of commissioner	43,000	45,000
Energy agency director	38,000	40,000
Finance, department of commissioner	48,000	50,000
Health, department of commissioner	47,000	49,000
Hearing examiners office chief hearing examiner	38,000	40,000
Higher education coordinating board executive director	40,000	42,000
Housing finance agency executive director	39,000	41,000
Human rights, department of commissioner	31,000	33,000
Indian affairs board executive director	27,000	29,000
Investment, board of executive secretary	42,000	44,000
Iron range resources and rehabilitation board commissioner	30,000	31,000
Labor and industry, department of commissioner	38,000	40,000
judge of the workers' compensation court of appeals	38,000	40,000
Mediation services, bureau of director	36,000	38,000
National resources, department of commissioner	44,000	47,000
Personnel, department of commissioner	44,000	47,000

	1979	1980
	\$	\$
Planning agency director	43,000	45,000
Pollution control agency director	38,000	40,000
Public safety, department of commissioner	38,000	41,000
Public service, department of commissioner, public service commission director	34,000 34,000	36,000 36,000
Public welfare, department of commissioner	44,000	48,000
Revenue, department of commissioner	44,000	47,000
State university system chancellor	44,000	46,000
Transportation, department of commissioner	44,000	48,000
Veterans affairs, department of commissioner	31,000	33,000

Sec. 26. Minnesota Statutes, 1979 Supplement, Section 43.064, is amended to read:

43.064 [OTHER SALARIES SET BY COMMISSIONER OF PERSONNEL.] Notwithstanding any other law to the contrary, compensation for all unclassified positions in the executive branch not enumerated in the listing described in section 15A.081, shall be established by the commissioner except for the following: (1) positions listed in section 299D.03; (2) employees in the office of the governor whose salaries shall be determined by the governor; (3) employees in the office of the attorney general; (4) *employees of the state board of investment*; (5) positions in the state university system, the community college system, and in the higher education coordinating board whose primary duties consist of instructing and counseling students, directing academic programs of schools, divisions or departments of colleges and community colleges, or conducting research on academic subjects, or conducting academic support programs; and the positions of state university and community college presidents. Individual salaries for positions enumerated in clauses (3) and , (4) and (5) and for classified hearing examiners in the office of hearing examiners shall be determined by the attorney general, *the state board of investment*, the state university board, the state board for community colleges, the higher education coordinating board, and the chief hearing examiner, respectively, within the limits of salary plans which shall have been approved by the commissioner before becoming effective.

No provision of any subsequent law relating to salaries of state employees shall be construed as inconsistent with this section unless it is expressly provided in ~~such~~ *the* subsequent act that the provisions of this section shall not be applicable or shall be superseded, amended, or repealed.

Sec. 27. Minnesota Statutes 1978, Section 69.77, Subdivision 2, as amended by Laws 1980, Chapter 341. Section 1, is amended to read:

Subd. 2. Subdivision 1 does not apply to an association enumerated in subdivision 1a under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1981, a contribution for retirement and survivorship benefits of not less than eight percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that ~~such~~ *the* contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firefighters, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

The financial requirements shall be based on the most recent actuarial survey prepared in accordance with sections 356.215, subdivision 4 and 356.216.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum

obligation of the governmental subdivision shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the officers of the association shall certify that amount to the county auditor, who shall spread a levy in the amount of such *the* obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments ~~for funds of the Minnesota state retirement system pursuant to section 22~~, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation ~~applicable to the Minnesota state retirement system specified in~~

*section 22, subdivision 5 would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21 15, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement investment fund may be invested in the growth share account described in section 11.18, subdivision 3.*

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter. The association shall also procure a quadrennial experience study pursuant to section 356.216 as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 28. Minnesota Statutes 1978, Section 69.775, is amended to read:

69.775 [INVESTMENTS.] The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments ~~for funds of the Minnesota state retirement system pursuant to section 22,~~ except that up to five percent of the special fund assets, or a minimum of \$10,000, may be invested in the stock of any one corporation. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21 15, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

Sec. 29. Minnesota Statutes 1978, Section 124.46, Subdivision 4, is amended to read:

Subd. 4. Bonds shall be issued pursuant to this section only when authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for such *that* purpose. Any act authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for such *the* issue, and such *the* bonds shall not be subject to the restrictions or limitations contained in any other law. Bonds issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, swamp land fund, internal improvement land fund, or any other fund for which investments may be made by the state board of investment or may be sold elsewhere at public or private sale and shall be deemed "authorized securities" within the provisions of section 50.14 and acts amendatory thereof or supplemental thereto.

Sec. 30. Minnesota Statutes 1978, Section 167.42, is amended to read:

167.42 [PLEDGE OF FULL FAITH AND CREDIT.] The full faith and credit of the state of Minnesota is hereby irrevocably pledged to the payment of the principal of and the interest on the bonds authorized by sections 167.39 to 167.45. Such *The* bonds shall be issued and sold on competitive bids after reasonable notice, or direct to the state board of investment without bids and that board is hereby authorized to invest any funds under its control or discretion in any of these bonds, notwithstanding any limitations imposed by section 11.10 or any other provisions of law. Such *The* bonds shall be issued and sold by the state auditor under such rules and regulations and in such *the* form and denominations as he shall determine and shall be attested by the secretary of state. Such *The* rules may provide for the maturity, registration, conversion and exchange of the bonds so issued; all bonds maturing more than three years after their date may be made redeemable at par at the expiration of such *the* three years and on each interest payment date thereafter upon such notice as such *the* rules, made prior to the issuance of the bonds, may provide. All expenses incident to the printing and the sale of the bonds, including actual and necessary traveling expenses of state officers and employees for such *the* purpose, shall be paid from the trunk highway fund and the amounts therefor are hereby appropriated from said *that* fund. The provisions of sections 15.041 to 15.044 shall not apply to the rules and regulations promulgated pursuant hereto. The state auditor shall keep a record showing the number, date of issue and date of maturity of each such bond.

Sec. 31. Minnesota Statutes 1978, Section 167.50, Subdivision 2, is amended to read:

Subd. 2. Said *The* bonds shall be issued and sold upon sealed bids after two weeks' published notice, or they may be sold directly to the state board of investment without bids. They shall mature serially over a term not exceeding 20 years from their respective dates of issue, 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 *such the* bonds and appropriating the proceeds thereof, but not subject to the provisions of sections 15.0411 to 15.0422, *such the* bonds shall be issued and sold in *such the* number of series, at *such* times, in *such the* form and denominations, bearing interest at *such the* rate or rates, maturing on *such* dates, either without option of prior redemption or subject to prepayment upon *such* notice and at *such the* times and prices, payable at *such the* bank or banks, within or without the state, with *such* 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. 32. Minnesota Statutes 1978, Section 193.146, Subdivision 4, is amended to read:

Subd. 4. [SALE.] *Such The* bonds shall be sold by *such the* corporation under *such* notice and upon *such the* terms and at *such* times as the corporation shall deem best. *Such The* bonds shall not be deemed or construed to be debts of the state of Minnesota or of the county or municipality in which *such the* armory is situated, nor to impose any personal liability upon any member of *such the* corporation, but shall be payable solely out of the income to be received by *such the* corporation as specified herein. Bonds legally issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, permanent university fund, swamp land fund, internal improvement land fund, or any other trust fund of the state of Minnesota, or for any other fund administered by *such* board, and shall be deemed authorized securities within the provisions of section 50.14, and laws supplemental thereto, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. *Such The* bonds shall be deemed and treated as instrumentalities of a public governmental agency, and as such shall be exempt from taxation.

Sec. 33. Minnesota Statutes 1978, Section 352.75, Subdivision 3, is amended to read:

Subd. 3. [EXISTING RETIRED MEMBERS AND BENEFIT RECIPIENTS.] As of the effective date of Laws 1978, Chapter 538, the liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the metropolitan transit commission—

transit operating division employees retirement fund shall be transferred to the Minnesota state retirement system, and shall no longer be the liability of the metropolitan transit commission—transit operating division employees retirement fund. The required reserves for retirement annuities, disability benefits and optional joint and survivor annuities in effect on the day prior to the effective date of Laws 1978, Chapter 538 and the required reserves for the increase in annuities and benefits provided pursuant to subdivision 6 shall be determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table and shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on the effective date of Laws 1978, Chapter 538 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount in effect on the effective date of Laws 1978, Chapter 538, including the increase granted pursuant to subdivision 6, shall be considered the "originally determined benefit" for purposes of any adjustments made pursuant to section 11.25. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1970, any annuitant or benefit recipient receiving an annuity or benefit from the Minnesota adjustable fixed benefit fund pursuant to this section shall be entitled to receive the adjustment if the annuitant or recipient began receiving the annuity or benefit from the metropolitan transit commission—transit operating division employees retirement fund on or before June 30, 1977, but that adjustment shall not include in the base for calculation the amount of any increase granted pursuant to subdivision 6. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1970, the required reserves for the increase determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on January 1, 1970. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefits shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 34. Minnesota Statutes 1978, Section 352B.26, Subdivision 3, is amended to read:

Subd. 3. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (1) As of June 30, 1969, the present value of all annuities, including joint and survivor annuities and qualified recipients of surviving spouse benefits, in force as of June 30, 1969, and as amended in accordance with Laws 1969, Chapter 977, shall be determined in accordance with the United States Life Tables, 1959-61, white males and white females, calculated with an interest assumption of three and one-half percent and assets representing the required reserves for these annuities shall be transferred to the Minnesota adjustable fixed benefit fund, during a period of one year in accordance with procedures specified in *Minnesota Statutes 1969*, Section 11.25. The provisions of this clause apply to all annuities which are payable under this chapter.

(2) Effective July 1, 1969, for those employees commencing to receive annuities and qualified recipients of surviving spouse benefits, or joint and survivor annuities, pursuant to this chapter, and acts amendatory thereof, the required reserves as determined in accordance with this section shall be transferred to the Minnesota adjustable fixed benefit fund as of the date benefits begin to accrue after June 30, 1969.

(3) Annuity payments shall be adjusted in accordance with the provisions of section 11.25, subdivisions 12 and 13.

(4) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the executive director of the Minnesota state retirement system requesting that the increase shall not be made.

Sec. 35. Minnesota Statutes, 1979 Supplement, Section 353.023, is amended to read:

353.023 [TRANSFER OF PENSION COVERAGE OF MINNEAPOLIS MUNICIPAL EMPLOYEES RETIREMENT FUND COORDINATED PROGRAM.] Notwithstanding any provisions of law to the contrary, as of July 1, 1979, all active members of the coordinated program of the Minneapolis municipal employees retirement fund established pursuant to Minnesota Statutes 1978, Sections 422A.30 to 422A.39, shall cease to be members of the program of that fund and shall cease to have any accrual of service credit, rights, or benefits under the benefit plan of that program. From and after July 1, 1979, all active members of the coordinated program will have their retirement coverage transferred to the coordinated program of the public employees retirement association. The accrued liability for retirement coverage of these members to date shall be transferred to the coordinated program of the public employees retirement association and shall no longer be the liability of the Minneapolis municipal employees retirement fund. Within 30 days of July 1, 1979, the board of trustees of the Minneapolis municipal employees retirement fund shall transfer the entire assets attributable to the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association. The assets transferred shall be an amount equal in value to the amount of employee contributions made by coordinated program members since July 1, 1978, the amount of employer matching contributions made by an employing unit on behalf of a coordinated program member since July 1, 1978, an amount equal to the employer additional contribution for the members of the coordinated program, and an amount equal to the investment income earned by the fund on the invested assets of the program since July 1, 1978. The assets transferred to the public employees retirement fund shall only include securities which are proper investments pursuant to section 41.16 22. Within 30 days of July 1, 1979, the board of trustees and the actuary of the Minneapolis municipal employees retirement fund shall transfer to the public employees retirement association original copies of

all records and documents which are in their possession relating to the coordinated program of the Minneapolis municipal employees retirement fund and any of its members and shall provide from time to time whatever additional relevant information which the board of trustees of the public employees retirement association may request. Upon the transfer of the assets, liabilities and records of the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association, the coordinated program of the Minneapolis municipal employees retirement fund shall terminate and shall cease to exist.

Sec. 36. Minnesota Statutes 1978, Section 353.661, Subdivision 3, is amended to read:

Subd. 3. [TRANSFER OF EXISTING RECIPIENTS OF PENSION AND OTHER RETIREMENT BENEFITS.] As of July 1, 1978, the accrued liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the university of Minnesota police department retirement plan and fund shall be transferred to the public employees police and fire fund and shall no longer be the liability of the university of Minnesota police department retirement plan and fund. The required reserves for retirement annuities in effect as of June 30, 1978, including future automatic survivor benefits for survivors of deceased former retirement annuitants attributable to those annuities, and the required reserves for benefits of survivor of deceased former retirement annuitants in effect as of June 30, 1978 shall be determined using a five percent interest assumption and the applicable public employees police and fire fund mortality table and shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on July 1, 1978 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount on July 1, 1978 shall be considered the "originally determined benefit" for purposes of further adjustments pursuant to section 11.25. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, any annuitant or benefit recipient receiving an annuity or benefit from the Minnesota adjustable fixed benefit fund pursuant to this section shall be entitled to receive the adjustment if the annuitant or recipient began receiving the annuity or benefit from the university of Minnesota police department retirement plan and fund on or before June 30, 1977. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, the required reserves for the increase determined using a five percent interest assumption and the applicable public employees police and fire fund mortality table shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on January 1, 1979. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefit shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 37. Minnesota Statutes 1978, Section 422A.02, is amended to read:

422A.02 [RETIREMENT BOARD; MEMBERS.] A retirement board of seven members is hereby constituted which shall consist of the following:

- (1) Mayor;
- (2) The city ~~comptroller or corresponding official comptroller-treasurer~~;
- (3) One member of the city council selected by the council; and
- (4) Four legally qualified voters ~~of the city, residents thereof for the preceding five years~~, to be chosen by the employees as defined in sections 422A.01 to 422A.25 who are contributors to the retirement fund created by sections 422A.01 to 422A.25. The employees may form an association for that purpose and the employing authorities are authorized to make payroll deductions for the payment of dues to ~~said~~ *the* association. The persons selected shall serve for staggered terms of two years from the first of the next succeeding January after their election, and until their successors are duly elected. ~~Such~~ *The* selection shall be made by the employees during the first week of December of each year. Vacancies occurring by death, resignation, or removal of ~~such~~ representatives shall be filled by representatives chosen by the employees.

Sec. 38. Minnesota Statutes, 1979 Supplement, Section 422A.03, Subdivision 1, is amended to read:

422A.03 [MEETINGS; EMPLOYEES; RULES AND REGULATIONS.] Subdivision 1. The retirement board shall meet on the third Tuesday of each calendar month of each year and may adjourn from time to time. Special meetings may be held upon the call of the president. The board shall, by a four-sevenths vote of all members of the board, appoint an executive ~~secretary~~ *director*, who shall have charge of the performance of the duties required by the provisions of sections 422A.01 to 422A.25, and shall appoint other necessary ~~clerical help~~ *employees*. If at the time of his appointment as executive ~~secretary~~ *director* the appointee holds a position subject to the civil service rules and regulations of the city he shall be deemed to be on leave of absence from ~~such~~ *the* civil service position during his tenure as executive secretary, and upon termination of ~~such~~ service shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classified position, seniority shall prevail, and the person most recently certified to ~~such~~ *the* position shall be returned to the permanent civil service classification held by him prior too such certification.

Sec. 39. Minnesota Statutes, 1979 Supplement, Section 422A.03, Subdivision 2, is amended to read:

Subd. 2. The executive ~~secretary~~ *director* may be removed by a four-sevenths vote of all members of the board at a meeting called for ~~such~~ *that* purpose. Before exercising the power of removal, 15

days written notice shall be given to the executive ~~secretary~~ *director* setting forth the cause for removal and stating the time and place where ~~such~~ *the* charges will be heard. The hearing shall be open to the public. Other employees under the supervision of the board and employees appointed hereafter shall be subject to applicable civil service laws and rules of the city *unless the board determines that they should be unclassified*. The compensation of the executive ~~secretary~~ *director* and the other employees under the supervision of the board shall be fixed by ~~such~~ *the* board.

Sec. 40. Minnesota Statutes 1978, Section 422A.03, Subdivision 3, is amended to read:

Subd. 3. At the regular meeting in January each year, the board shall elect ~~one of from among~~ its members as a president, ~~one member as a~~ vice president, and ~~one member as recording a~~ secretary, who shall hold office for one year or until successors have been elected and qualified. *The city comptroller-treasurer shall serve as treasurer of the board.* The president shall preside at all meetings at which he is present. In the absence of the president the vice president shall preside and have all the powers of the president while acting as such. The recording secretary shall keep a record of all proceedings of the board, which shall be open to public inspection. At least one of the officers of the board shall be one of the representatives elected by the employees of the city to the board.

Sec. 41. Minnesota Statutes 1978, Section 422A.03, Subdivision 5, is amended to read:

Subd. 5. For the purpose of administration, except as otherwise herein provided, the executive ~~secretary~~ *director*, under the direction of the board, shall perform any and all acts and make ~~such~~ regulations as may be necessary and proper for the purpose of carrying out the provisions of sections 422A.01 to 422A.25.

Sec. 42. Minnesota Statutes 1978, Section 422A.05, Subdivision 1, is amended to read:

422A.05 [TRUSTEE OF FUNDS.] Subdivision 1. Except as otherwise provided by law the members of the retirement board shall be the trustees *and custodians* of the several funds created by sections 422A.01 to 422A.25 and shall have exclusive control and management of these funds, and power to invest the same, subject to all the terms, conditions, limitations, and restrictions imposed by law upon savings banks in the making and disposing of their investments, except convertible bonds which may be purchased as to rating but subject to the eligibility limits imposed below for common or preferred stock. Subject to like terms, conditions, limitations, and restrictions, these trustees shall have full power *them and* to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which any of the funds created by sections 422A.01 to 422A.25 shall have been invested as well as the proceeds of the investments, and of the money belonging to these funds.

Sec. 43. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

*Subd. 2a. [STANDARD OF CARE.] In the discharge of their respective duties, the members of the board, the executive director, the board staff and any other person charged with the responsibility of investing money pursuant to the standards set forth in chapter 422A shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.*

Sec. 44. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

*Subd. 2b. [CONFLICT OF INTEREST.] No member of the board may participate in the deliberations or the voting on any matter before the board which will or is likely to result in direct, measurable personal gain to the member.*

Sec. 45. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

*Subd. 2c. The board may invest funds in corporate stocks or corporate obligations of any corporation organized under the laws of the United States or of any state of the United States or the Dominion of Canada or any province thereof and other corporations traded on the New York or American Stock Exchanges if they conform to the following provisions:*

*(a) On corporate stocks:*

*(1) The market value of these investments shall not exceed 50 percent of the market value of the funds.*

*(2) Investments in any one corporation shall not exceed five percent of the market value of the funds or five percent of the total shares outstanding of any one corporation.*

*(3) Cash dividends on these investments shall have been earned and paid for the preceding five years.*

*(4) Investments which do not conform to the dividend standard contained in clause (3) may be held, but the total amount of these securities shall not exceed five percent of the total market value of the funds.*

*(b) On corporate obligations:*

*(1) The consolidated net pretax earnings of corporations other than finance corporations shall have been an average for the preceding five years at least 1.5 times the annual interest charge on total funded debt applicable to that period.*

*(2) The consolidated net pretax earnings of banks and finance corporations shall have been an average for the preceding five years at least 1.2 times the annual interest charges on total funded debt applicable to that period.*

(3) *Obligations shall be rated among the top three quality categories by a nationally recognized rating agency; or if unrated, the corporation shall have other comparably secured issues similarly rated; or the consolidated net pretax earnings of the corporation shall have been an average for the preceding five years at least twice the ratios required in clauses (a) and (b).*

Sec. 46. Minnesota Statutes 1978, Section 422A.05, Subdivision 3, is amended to read:

Subd. 3. The board shall have authority:

~~(1) To make such loans and advances of credits and purchases of obligations, representing loans and advances of credit, as are insured by the federal housing administration, and to obtain such insurance;~~

~~(2) (1) To make such loans secured by mortgages on real property, which the federal housing administrator has insured or made a commitment to insure, and to obtain such insurance;~~

~~(3) (2) To enter into any and all agency agreements necessary to enable it to invest its funds in loans, advances of credit, and obligations insured by the federal housing administrator, or which he has made a commitment to issue and to enter into any agreement or arrangement with any other of the pension and retirement systems of the city for the joint handling of these securities;~~

~~(4) To provide for the prorating of part or all of the cost of making, handling or foreclosing of such mortgages against the earnings of such mortgages and to establish reserve accounts from such earnings to liquidate losses or future losses on such mortgages;~~

~~(5) (3) To employ and dismiss agents, attorneys, appraisers, and others necessary for the proper handling or servicing of such mortgages investments and to fix their compensation or fee on such the basis as it may see fit for such services rendered in connection with such mortgages the investments; and~~

~~(6) (4) To do any and all things necessary to carry out the provisions of sections 422A.01 to 422A.25 in the best interest of the funds.~~

Sec. 47. Minnesota Statutes 1978, Section 422A.05, Subdivision 5, is amended to read:

Subd. 5. All payments from the funds created by sections 422A.01 to 422A.25 shall be made signed by the treasurer of the city only upon warrant signed by the, executive secretary director, or employee or other person appointed by the retirement board. and no warrant payment shall be drawn made except by order of the board duly entered in the record of its proceedings, except that the board may create a revolving fund in such an amount as may be necessary to be used for the purpose of withdrawals from the fund of excess contributions; refunds to employees upon their separation from the service and for such other purposes as may be determined by the board. The revolving fund herein provided for

shall be periodically reimbursed by warrant drawn and signed as set forth herein. It shall be kept in the same bank or trust company as the city treasurer keeps other retirement funds. It shall be subject to withdrawal upon check signed by the executive secretary *director*, or employee or other person appointed by the board. The revolving fund shall be considered funds of the city insofar as it is necessary to bring them within any bond or security furnished by such bank or trust company to protect the city against loss.

Sec. 48. Minnesota Statutes 1978, Section 422A.05, Subdivision 6, is amended to read:

Subd. 6. The board may, in carrying out the provisions of sections 422A.01 to 422A.25, establish special funds supplementing individual contributions by the employees and to receive, invest, and disburse for such purpose all moneys in the form of donations, gifts, legacies, bequests, or otherwise which may be contributed by private individuals or corporations or organizations for the benefit of the city employees generally, or any special employee or class of employees of the city purposes as it deems necessary.

Sec. 49. Minnesota Statutes 1978, Section 422A.06, Subdivision 1, is amended to read:

422A.06 [RETIREMENT FUND.] Subdivision 1. [CREATION; DIVISIONS OF FUND.] For the purposes of sections 422A.01 to 422A.25 there shall be a city municipal *Minneapolis* employees retirement fund, hereafter referred to as the retirement fund. The retirement fund shall be subdivided into (1) a deposit accumulation fund, (2) a participating share in the Minnesota adjustable fixed-benefit fund, (3) a survivor benefit fund, and (4) a disability benefit fund, and (5) a retirement benefit fund. Expense of administration of the retirement fund shall be paid from the deposit accumulation fund, less such *the* amount as the retirement board may charge against income from investments as the cost of handling the investments of the retirement fund.

Sec. 50. Minnesota Statutes 1978, Section 422A.06, Subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund shall consist of the assets held in such fund, increased by amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, and by income from investments. There shall be paid from such *the* fund the amounts required to be transferred to the Minnesota adjustable fixed-benefit fund, *retirement benefit fund*, or the disability benefit fund, refunds of contributions, death benefits payable on death before retirement not payable from the survivors' benefit fund, retirement allowances granted pursuant to Laws 1965, Chapter 688, Laws 1969, Chapter 859, and expenses of administration.

Sec. 51. Minnesota Statutes 1978, Section 422A.06, Subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION IN THE MINNESOTA ADJUSTABLE FIXED-BENEFIT FUND.] The ~~municipal~~ *Minneapolis* employees retirement fund shall participate in the Minnesota adjustable fixed-benefit fund *unless they elect to withdraw pursuant to section 422A.06, subdivision 8.* In that fund there shall be deposited the amounts provided in subdivision 5.

Sec. 52. Minnesota Statutes 1978, Section 422A.06, Subdivision 5, is amended to read:

Subd. 5. [VALUATION OF ASSETS; ADJUSTMENTS OF BENEFITS.] (a) For those members retiring pursuant to sections 422A.01 to 422A.25, assets equal to the required reserves as determined in accordance with a mortality table appropriate to the fund with an interest assumption of five percent, shall be transferred to the Minnesota adjustable fixed-benefit fund ~~or~~, the disability benefit funds as provided in subdivision 7, *or the retirement benefit fund* except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with the provisions of sections 422A.09 and 422A.15, except that no minimum retirement payments therein described shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statutes.

(c) Notwithstanding the provisions of section 356.18 increases in annuity payments pursuant to this section will be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase shall not be made.

(d) All annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973 shall be increased in the same ratio that the actuarially computed reserve for such annuities determined by using an interest assumption of 3½ percent bears to the actuarially computed reserve for such annuities determined by using an interest assumption of five percent. The reserves upon which such increases shall be based shall be the actuarially determined reserves for all Minnesota adjustable fixed-benefit fund annuities which were in effect on December 31, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of 3½ percent and five percent. ~~Such~~ *The* ratio of increase computed to the last full 1/100 of one percent shall be applied to all annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973. Any additional annuity shall begin to accrue on July 1, 1973 and shall be considered as part of the base amount to be used in determining any increase which may become effective on January 1, 1974 under the provisions of section 11.25, subdivisions 12 and 13.

(e) All assets in the annuity stabilization reserve and suspense account shall be credited proportionately to the individual retirement funds' participation in the Minnesota adjustable fixed-bene-

fit fund. Effective January 1, 1974 each participating fund in the Minnesota adjustable fixed-benefit fund, except the municipal employees retirement fund, shall increase the benefits in effect on June 30, 1973 by an amount that when added to the increase granted to such benefits effective July 1, 1973, equals 20 percent. The increase shall apply to accrual of benefits commencing January 1, 1974 and shall be in lieu of the adjustment provided by *Minnesota Statutes, 1973 Supplement*, Section 11.25, Subdivisions 12 and 13 scheduled to take effect January 1, 1974. The municipal employees retirement fund of Minneapolis shall determine the increase if any in accrual of benefits commencing January 1, 1974, determined on the basis of its entire participation in the manner provided in *Minnesota Statutes, 1973 Supplement*, Section 11.25, Subdivisions 12 and 13 as amended by *Laws 1973, Chapter 7*.

(f) The actuary for each participating fund shall calculate the reserve required to support the benefits in effect on June 30, 1973 as increase July 1, 1973 and herein. As of December 31, 1973, each participating fund shall transfer to or from the Minnesota adjustable fixed-benefit fund assets so that its participation equals the total of such required reserves and the reserve for benefits authorized on or after July 1, 1973. The increased benefits accruing as of January 1, 1974 shall be considered the "originally determined benefits" for the purpose of future adjustments.

Sec. 53. Minnesota Statutes 1978, Section 422A.06, is amended by adding a subdivision to read:

*Subd. 8. [RETIREMENT BENEFIT FUND.] The retirement benefit fund shall consist of amounts held for payment of retirement allowances for members retired pursuant to sections 422A.01 to 422A.25. For members retiring after June 30, 1980, assets equal to the required reserves pursuant to law shall be transferred from the deposit accumulation fund to the retirement benefit fund. All income from investments of these assets shall be allocated to this fund. There shall be paid from this fund all the retirement annuities authorized by law.*

*The state board of investment shall transfer the assets in the Minnesota adjustable fixed benefit fund belonging to the retired members of the Minneapolis employees retirement fund to the retirement board, for deposit in the retirement benefit fund. The assets of the retirement benefit fund shall be invested in the same manner as provided by law for the Minnesota adjustable fixed benefit fund.*

*Notwithstanding any law to the contrary, the transfer of assets from the adjustable fixed benefit fund to the retirement board will be based on the proportional share of required reserves of the Minnesota adjustable fixed benefit fund owned by Minneapolis retirement fund members on June 30, 1980, as determined by the actuary for the legislative commission on pensions and retirement. The Minneapolis municipal employees retirement fund shall reimburse the legislative commission on pensions and retirement for any expenses for actuarial services which it incurs by virtue of the services provided by its actuary as required by this section.*

*These expenses shall be paid by the fund upon certification of the required amount by the chairman of the commission. Special auditing and valuation expenses incurred by the state board of investment in connection with this transfer shall be paid by the Minneapolis employees retirement fund. The proportional share of reserves owned shall determine the proportional share of the market value of the Minnesota adjustable fixed benefit fund to be transferred.*

*As of June 30, 1980, the liability for the payment of all annuities to annuitants of the Minneapolis municipal employees retirement fund previously payable from the Minnesota adjustable fixed benefit fund shall be transferred to the retirement benefit fund of the Minneapolis municipal employees retirement fund and shall no longer be the liability of the Minnesota adjustable fixed benefit fund. The liability transferred shall be equal to the actuarially determined reserves of the Minneapolis municipal employees retirement fund in the Minnesota adjustable fixed benefit fund on June 30, 1980, as that term is defined in Minnesota Statutes 1978, Section 11.25, Subdivision 9. For purposes of accounting for the liability transferred from the Minnesota adjustable fixed benefit fund and for purposes of the calculation of any potential future post retirement adjustments, there shall be established in the retirement benefit fund an annuity stabilization reserve in order to eliminate any deficiency so that the assets of the retirement benefit fund will equal the actuarially determined reserves required to support the annuities being paid. Benefit increases and amortization of the annuity stabilization reserves will be in accordance with the methods provided for the Minnesota adjustable fixed benefit fund.*

*At the close of the business day on June 30, 1980, there shall be transferred to the retirement board title to no less than 90 percent of the total value of the estimated Minneapolis employees retirement fund participation. All market valuations shall be determined by a nationally recognized firm known to perform such evaluations mutually agreed upon by the investment board and retirement board. The transfer shall be in securities mutually agreeable to both parties and cash, representative of the portfolio composition on June 30, 1980, except funds paid after January 1, 1980, shall be transferred in cash. The remainder of the transfer shall be in cash with interest at the average rate earned on the Minnesota adjustable fixed benefit fund short term portfolio fund from June 30 to the date of transfer once the actuarial determination of the proportional share of reserves owned by the Minneapolis retirement fund is calculated by the actuary for the legislative commission on pensions and retirements.*

*The state auditor representing the Minneapolis employees retirement fund and the legislative auditor representing the investment board shall supervise the transfer to assure its fairness to the Minneapolis fund and the Minnesota adjustable fixed benefit fund.*

*The provisions of this subdivision shall not be implemented until the retirement board, by a majority vote of its members,*

*elects to establish a retirement benefit fund and implement the provisions of this subdivision. The election shall be made within 45 days after the effective date of this subdivision.*

Sec. 54. Minnesota Statutes, 1979 Supplement, Section 422A.06, Subdivision 2, is amended to read:

Subd. 2. Prior to August 31 of each year the retirement board shall prepare an itemized statement of its financial requirements from tax revenue for the succeeding fiscal year. A copy of the statement shall be submitted to the board of estimate and taxation and to the city council prior to September 15 of each year. This statement shall include:

(1) An estimate of the administrative expense of the board less:

(a) Such amount as the board may charge against the interest income account of the fund as cost of handling the investment securities of the fund.

(b) The cost of handling the retirement benefits of any city-owned public utility, improvement project, or other municipal activities supported in whole or in part by revenues other than taxes.

(c) The cost of handling the retirement benefits of any public corporation and its employees who have availed themselves of the provisions of sections 422A.01 to 422A.25.

(2) An estimated amount not to exceed  $7\frac{1}{4}$  percent of the salaries and wages of all employees covered by the retirement fund less any amounts contributed for current cost of future retirement benefits by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(3) The estimated amount to meet the requirements of section 422A.06, subdivision 3, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(4) The cost of all monthly survivor's benefits provided in section 422A.23 as an obligation of the city and any of its boards, departments, commission or public corporations as therein provided, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(5) Such other levies and financing as are required by law.

(6) The total of items 1, 2, and 3 above shall be increased or decreased as the case may be by any deficiency or excess of the amount of tax revenue actually collected within the preceding fiscal year under or over the amount actually determined to meet the financial requirements of the fund for such year. In no event shall the amount requested for levy exceed the total of entry age

normal cost, less the amounts contributed by the employees, plus administrative expense, plus an amount necessary to amortize on a level annual dollar basis the principal amount of the actuarial deficit by the year 2017 using an interest rate of five percent, compounded annually, plus interest upon any deficiency from the previous year's levy at the rate of ~~four~~ six percent per annum. This limit does not apply to the requirements for survivors benefits provided in section 422A.23 nor to any levy which is administered by the retirement board pursuant to special act.

Sec. 55. Minnesota Statutes, 1979 Supplement, Section 422A.09, Subdivision 3, is amended to read:

Subd. 3. The exempt class shall consist of:

(1) Employees who are members of any other organization or association of the city on behalf of which a tax is levied by the city for the purpose of paying retirement allowances to disabled or superannuated employees.

(2) Persons filling elective position. Provided that any elective officer holding an elective city office, excepting judges of a municipal court, shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class except retirement on a service allowance, which shall be granted only upon completion of ten or more years of service and attaining at least age 60.

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time served as an elective officer or employee, or member of an executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county in which they served as an elected official, may retain or resume membership in the fund as an elective officer of the county. The county shall collect and pay to the retirement fund the employee contribution. The employer cost of allowances and benefits credited to an elected officer as set forth above shall be paid from the county revenue fund by the proper county officials upon certification of such costs by the retirement board in the same manner as prescribed in section 422A.08 for the payment of costs by public corporations. A tax shall be levied by Hennepin county to defray the cost of such retirement allowances which may be in addition to all other taxes levied by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service under this section shall contribute to the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first became eligible for membership in the fund, in accordance with the method of contribution herein provided for, plus ~~four~~ six percent compound interest.

(3) Persons serving without pay.

(4) Persons employed on a temporary basis, as doorkeepers, ticket takers, and attendants at the municipal auditorium, park recreation facilities, or like activities, employed less than 1000 hours, or its equivalent if employed on any other basis than an hourly basis, in any calendar year from January 1 to December 31, inclusive, provided that employees who are contributing members of the fund on July 1, 1959 shall not be affected by the exclusions contained in this section.

(5) A person who is exempted from the contributing class by Minnesota Statutes 1974, Section 422A.09, Subdivision 3, Clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation as herein defined, and including any person employed by the Minneapolis school district, each of whom is not a member of any other retirement system, who later becomes a contributing member of the fund may elect to qualify such time for credit by paying into the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first qualified as an exempt member of the contributing class, in accordance with the method of contribution herein provided, plus four percent compound interest.

(6) Any person who is employed by the city or any of its boards, departments, commissions or a public corporation, as herein outlined, and is excluded from participation in the fund by paragraph (4) shall be separated from the service upon reaching the age of 70 regardless of the provisions of the veterans preference act.

(7) Any person who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the city council of the city of Minneapolis specifies that the person is to be considered as a provisional member of the retirement fund pursuant to section 356.451 or unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing to make the required employer contribution in addition to the required employee contribution.

Sec. 56. Minnesota Statutes 1978, Section 462.631, Subdivision 1, is amended to read:

462.631 [APPROVED MORTGAGES, BOND ISSUE; LIMITATIONS, PROVISIONS.] Subdivision 1. Any redevelopment

company, subject to the approval of the state housing commission, may borrow funds and secure the repayment thereof by bond and mortgage or by an issue of bonds under a trust indenture. Each mortgage or issue of bonds of a redevelopment company shall relate only to a single specified project and to no other, and those bonds shall be secured by mortgage upon all of the real property of which ~~such~~ *the* project consists. First lien bonds of a redevelopment company, when secured by a mortgage not exceeding 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost, after that completion, as certified by the state housing commission, are hereby declared securities in which all public officers and bodies of the state and of its municipal subdivisions, *including the state board if the bonds meet the requirements of section 22, subdivision 2*, all insurance companies and associations, all savings banks and savings institutions, including savings, building and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in the state may properly and legally invest the funds within their control. The bonds so issued and secured and the mortgage or trust indenture relating thereto may create a first or senior lien and a second or junior lien upon the real property embraced in any project; provided, however, that the total mortgage liens shall not exceed 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost after that completion, as certified by the state housing commission; and provided further that, where there are first and second mortgage liens upon the property embraced in a project, only the first or senior lien thereon shall be deemed a security in which ~~such~~ *the* officers, bodies, corporations, associations, and fiduciaries may invest the funds within their control. ~~Such~~ *The* bonds and mortgages may contain ~~such~~ other clauses and provisions as shall be approved by the state housing commission, including the right to assignment of rents and entry into possession in case of default; but the operation of the housing project in the event of such entry by mortgagee or receiver shall be subject to regulations promulgated by the state housing commission. Provisions for the amortization of the bonded indebtedness of companies formed under sections 462.415 to 462.711 shall be subject to the approval of the state housing commission. So long as funds made available by the federal government or any instrumentality thereof or any mortgage or mortgage bonds insured by the federal housing administrator or any other instrumentality of the federal government are used in financing, in whole or in part, any project under sections 462.415 to 462.711, the capital structure or a redevelopment company undertaking such project and the proportionate amount of the cost of the lands and improvements to be represented by mortgages or bonds shall be entirely in the discretion of the housing commission; and all restrictions as to the amounts to be represented by mortgages, mortgage bonds, income debenture, or stock shall be inapplicable to ~~such~~ *the* projects or to redevelopment companies undertaking ~~such~~ *the* projects, except that the bonds, mortgages, debentures, and stock covering any project shall not

exceed the total actual final cost of such *the* project as defined in section 462.635, clause 2.

Interest rates on mortgage indebtedness shall not exceed five percent per annum.

Sec. 57. Minnesota Statutes 1978, Section 475.73, Subdivision 1, is amended to read:

475.73 [STATE BOARD.] Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the state board of ~~Investment~~ *if the obligations meet the requirements of section 22, subdivision 2*, upon the approval of the Attorney General as to form and execution of the application therefor, and under ~~such rules and regulations~~ as the board may specify, and the state board of ~~Investment~~ shall have authority to purchase the same to an amount not exceeding 15 percent of the assessed valuation of the taxable property of ~~such the~~ municipality, according to the last preceding assessment. ~~Such~~ *The* obligations shall not run for a shorter period than one year, nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the state board of ~~Investment~~ but not less than two percent per annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by virtue thereof, the commissioner of finance shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each ~~such~~ obligation.

Sec. 58. [INSTRUCTIONS TO THE REVISOR.] *Subdivision 1. In the next or subsequent edition of Minnesota Statutes, the revisor of statutes shall substitute the term "executive director" for the term "executive secretary" wherever that term appears in reference to the state board of investment, shall substitute the term "Minnesota supplemental retirement investment fund" for the term "Minnesota supplemental retirement fund" wherever that term appears, and shall substitute the term "Minnesota variable annuity investment fund" for the term "Minnesota variable annuity fund" wherever that term appears.*

*Subd. 2. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute wherever the amount "four percent interest" appears in reference to the Minneapolis employees retirement fund the amount "six percent interest".*

*Subd. 3. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute "director" or "executive director" for "secretary" or "executive secretary" in chapter 422A.*

*Subd. 4. In the next or subsequent edition of the Minnesota Statutes, the revisor of statutes shall substitute wherever the term "Minnesota adjustable fixed benefit fund" appears in reference to the state board of investment, the term "Minnesota post-retirement investment fund."*

Sec. 59. [INSTRUCTION TO REVISOR.] *In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall in each section referred to in column A, strike the reference referred to in column B and insert the reference set forth in column C:*

<i>column A</i>	<i>column B</i>	<i>column C</i>
<i>Minnesota Statutes 1978</i>	<i>Minnesota Statutes 1978</i>	
<i>Section 3A.11, Subdivisions 1 and 2</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 60B.25 (16)</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 82.34, Subdivision 5</i>	<i>Section 11.16</i>	<i>Section 11A.22</i>
<i>Section 137.022</i>	<i>Section 11.25, Subdivision 2</i>	<i>Section 11A.22</i>
<i>Section 137.022</i>	<i>Section 11.015, Subdivision 7</i>	<i>Section 11A.14, Subdivision 5</i>
<i>Section 137.022</i>	<i>Section 11.16, Subdivision 17</i>	<i>Section 11A.10, Subdivision 2</i>
<i>Section 137.025</i>	<i>Section 11.10</i>	<i>Section 11A.23</i>
<i>Section 161.04, Subdivision 2</i>	<i>Chapter 11</i>	<i>Section 11A.19</i>
<i>Section 162.16</i>	<i>Chapter 11</i>	<i>Section 11A.19</i>
<i>Section 198.265</i>	<i>Section 11.17</i>	<i>Section 11A.19</i>
<i>Section 222.59</i>	<i>Section 11.10</i>	<i>Section 11A.23</i>
<i>Section 352.04, Subdivision 12</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 352.061</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 352.061</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 352.119, Subdivision 2(2)</i>	<i>Section 11.25, Subdivisions 12 and 13</i>	<i>Section 11A.16,</i>
<i>Section 352.93, Subdivision 3</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 352.96, Subdivision 2(a)</i>	<i>Section 11.18</i>	<i>Section 11A.15</i>
<i>Section 352B.26, Subdivision 3(3)</i>	<i>Section 11.25, Subdivisions 12 and 13</i>	<i>Section 11A.16,</i>
<i>Section 352D.015, Subdivision 3</i>	<i>Sections 11.18 to 11.24</i>	<i>Section 11A.15</i>
<i>Section 352D.03</i>	<i>Section 11.18</i>	<i>Section 11A.15</i>
<i>Section 353.06</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 353.271,</i>	<i>Section 11.25,</i>	<i>Section 11A.16,</i>

<i>Subdivision 2(2)</i>	<i>Subdivisions 12 and 13</i>	
<i>Section 354.05, Subdivision 23</i>	<i>Section 11.26</i>	<i>Section 11A.17</i>
<i>Section 354.05, Subdivision 26</i>	<i>Section 11.25, Subdivision 12</i>	<i>Section 11A.16,</i>
<i>Section 354.62, Subdivision 4(3)</i>	<i>Section 11.26, Subdivision 7</i>	<i>Section 11A.17, Subdivision 8</i>
<i>Section 354.63, Subdivision 2(2)</i>	<i>Section 11.25, Subdivisions 12 and 13</i>	<i>Section 11A.16,</i>
<i>Section 356.39</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 360.017, Subdivision 2</i>	<i>Section 11.01</i>	<i>Section 11A.23</i>
<i>Section 422A.18, Subdivision 2</i>	<i>Section 11.25, Subdivision 12</i>	<i>Section 11A.16,</i>
<i>Section 422A.23, Subdivision 10</i>	<i>Section 11.25, Subdivision 12</i>	<i>Section 11A.16,</i>
<i>Section 490.123, Subdivision 3</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 490.123, Subdivision 3</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 525.161</i>	<i>Section 11.08</i>	<i>Section 11A.04 (8)</i>
<i>Section 525.841</i>	<i>Section 11.08</i>	<i>Sections 11A.04 (8) and 11A.08, Subdivision 2</i>
<i>Minnesota Statutes, 1979 Supplement</i>	<i>Minnesota Statutes 1978</i>	
<i>Section 299B.17, Subdivision 7</i>	<i>Section 11.10</i>	<i>Section 11A.23</i>

Sec. 60. [TEMPORARY PROVISION.] *Portfolio securities held by the state board of investment or the retirement board of the Minneapolis employees retirement fund which met statutory criteria at the time of purchase but which became non-conforming as a result of the passage of this act may be retained.*

Sec. 61. [REPEALER.] *Minnesota Statutes 1978, Sections 11.01; 11.015; 11.04; 11.05; 11.06; 11.08; 11.10; 11.11; 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12; 11.13; 11.14; 11.15; 11.16; 11.17; 11.18; 11.19; 11.20; 11.21; 11.22; 11.23; 11.24; 11.25; 11.26; 11.27; 11.28; 360.303; 422A.05, Subdivisions 2 and 4; 422A.07; 458.53; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145 are repealed.*

Sec. 62. [EFFECTIVE DATE.] *This act is effective the day following enactment."*

Delete the title and insert:

"A bill for an act relating to state government; recodifying the laws governing the state board of investment; providing for the appointment of an executive director and detailing his duties and powers; defining terms; establishing standards for the investment of state and pension assets; prescribing duties for the Minneapolis employees retirement board; providing standards for investment; amending Minnesota Statutes 1978, Sections 69.77, Subdivision 2, as amended; 69.775; 124.46, Subdivision 4; 167.42; 167.50, Subdivision 2; 193.146, Subdivision 4; 352.75, Subdivision 3; 352B.26, Subdivision 3; 353.661, Subdivision 3; 422A.02; 422A.03, Subdivisions 3 and 5; 422A.05, Subdivisions 1, 3, 5, and 6, and by adding subdivisions; 422A.06, Subdivisions 1, 3, 4, and 5, and by adding a subdivision; 462.631, Subdivision 1; 475.73, Subdivision 1; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 1; 43.064; 353.023; 422A.03, Subdivisions 1 and 2; 422A.08, Subdivision 2; and 422A.09, Subdivision 3; repealing Minnesota Statutes 1978, Sections 11.01 to 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12 to 11.14; 11.15 to 11.28; 360.303; 422A.05, Subdivisions 2 and 4; 422A.07; 458.53; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2149: A bill for an act relating to juveniles; amending criteria for reference to adult court; amending Minnesota Statutes 1978, Section 260.125, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 257.071, Subdivision 1, is amended to read:

257.071 [CHILDREN IN FOSTER HOMES; PLACEMENT; REVIEW.] Subdivision 1. [PLACEMENT; PLAN.] A case plan shall be prepared within 30 days after any child is placed in a foster home residential facility by court order or by the voluntary release of the child by his parent or parents. By July 1, 1979, a case plan shall be prepared for each child who was residing in a foster home on July 1, 1978 and who has not been returned to the home of his parent or parents.

*For purposes of this section, a residential facility means any group home, family foster home or other publicly supported out-of-home residential facility, including any out-of-home residential*

*facility under contract with the state, county or other political subdivision, or any agency thereof, to provide those services.*

For the purposes of this section, a case plan means a written document which is ordered by the court or which is prepared by the social service agency responsible for the *foster home residential facility* placement and is signed by the parent or parents, or other custodian, of the child, the child's legal guardian, the social service agency responsible for the *foster home residential facility* placement, and, if possible, the child. The document shall be explained to all persons involved in its implementation, including the child who has signed the document, and shall set forth:

(1) The specific reasons for the placement of the child in a *foster home residential facility*, including a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from his home;

(2) The specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (1), and the time period during which the actions are to be taken;

(3) The financial responsibilities and obligations, if any, of the parents for the support of the child during the period the child is in the *foster home residential facility*;

(4) The visitation rights and obligations of the parent or parents during the period the child is in the *foster home residential facility*;

(5) The social and other supportive services to be provided to the parent or parents of the child, the child, and the *foster parents residential facility* during the period the child is in the *foster home residential facility*;

(6) The date on which the child is expected to be returned to the home of his parent or parents;

(7) The nature of the effort to be made by the social service agency responsible for the placement to reunite the family; and

(8) Notice to the parent or parents that placement of the child in foster care may result in termination of parental rights but only after notice and a hearing as provided in chapter 260.

The parent or parents and the child *each* shall have the right to legal counsel in the preparation of the case plan *and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem.* If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or his legal guardian. The parent or parents may also receive assistance from any person or social service agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved, the foster parents shall be fully informed of the provisions of the case plan.

Sec. 2. Minnesota Statutes 1978, Section 260.011, Subdivision 2, is amended to read:

Subd. 2. The purpose of the laws relating to juvenile courts is to secure for each *minor child alleged or adjudicated neglected or dependent* and under the jurisdiction of the court, the care and guidance, preferably in his own home, as will serve the spiritual, emotional, mental, and physical welfare of the *minor child* and the best interests of the state; to preserve and strengthen the *minor's child's* family ties whenever possible, removing him from the custody of his parents only when his welfare or safety and protection of the public cannot be adequately safeguarded without removal; and, when the *minor child* is removed from his own family, to secure for him custody, care and discipline as nearly as possible equivalent to that which should have been given by his parents.

*The purpose of the laws relating to children alleged or adjudicated to be delinquent is to promote the public safety and reduce juvenile delinquency by maintaining the integrity of the substantive law prohibiting certain behavior and by developing individual responsibility for lawful behavior. This purpose should be pursued through means that are fair and just, that recognize the unique characteristics and needs of children, and that give children access to opportunities for personal and social growth.*

The laws relating to juvenile courts shall be liberally construed to carry out these purposes.

Sec. 3. Minnesota Statutes 1978, 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 section 120.10 and except as described in clause (c) of this subdivision and as provided in section 260.193, subdivision 1; 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

~~(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 (c) Who has violated any federal, state or local law or ordinance for contempt by reason of violation of a court order issued in connection with an allegation or adjudication of dependency as defined in section 260.015, subdivision 6, clause (e) or (f).~~

Sec. 4. Minnesota Statutes 1978, Section 260.015, Subdivision 6, is amended to read:

Subd. 6. "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

(e) Who is uncontrolled by his parent, guardian or other custodian by reason of being wayward or habitually disobedient; or

(f) Who is habitually truant from school.

Sec. 5. Minnesota Statutes 1978, Section 260.031, Subdivision 4, is amended to read:

Subd. 4. The minor and his parents, guardians, or custodians are entitled to a *de novo* hearing by the judge of the juvenile court if, within three days after receiving notice of the findings of the referee, they file a request with the court for a hearing. The court may allow such order a *de novo* hearing at any time.

Sec. 6. Minnesota Statutes 1978, Section 260.111, Subdivision 1, is amended to read:

260.111 [JURISDICTION.] Subdivision 1. [CHILDREN WHO ARE DELINQUENT, NEGLECTED, DEPENDENT OR NEGLECTED AND IN FOSTER CARE.] Except as provided in section 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, neglected, neglected and in foster care, or dependent, and in proceedings concerning any minor alleged to have been a delinquent or a juvenile traffic offender prior to having become eighteen 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. 7. Minnesota Statutes 1978, Section 260.115, Subdivision 1, is amended to read:

260.115 [TRANSFERS FROM OTHER COURTS.] Subdivision 1. Except where a juvenile court has referred an alleged violation to a prosecuting authority in accordance with the provisions of section 260.125 or to a court in accordance with the provisions of section 260.193 has original jurisdiction of a child who has committed a minor traffic offense, as defined in section 260.193, subdivision 1, clause (c), a court other than a juvenile court shall immediately transfer to the juvenile court of the county the case of a minor who appears before the court on a charge of violating any state or local law or ordinance and who is under 18 years of age or who was under 18 years of age at the time of the commission of the alleged offense.

Sec. 8. Minnesota Statutes 1978, Section 260.121, Subdivision 3, is amended to read:

Subd. 3. *Except when a child is alleged to have committed a minor traffic offense, as defined in section 260.193, subdivision 1,*

*clause (c)*, if it appears at any stage of the proceeding that a child before the court is a resident of another state, the court may invoke the provisions of the interstate compact on juveniles or, if it is in the best interests of the child or the public to do so, the court may place the child in the custody of his parent, guardian, or custodian, if the parent, guardian, or custodian agree to accept custody of the child and return him to their state.

Sec. 9. Minnesota Statutes 1978, Section 260.125, is amended to read:

260.125 [REFERENCE FOR PROSECUTION.] Subdivision 1. When a child is alleged to have violated a state or local law or ordinance after becoming 14 years of age the juvenile court may enter an order referring the alleged violation to the appropriate prosecuting authority for action under laws in force governing the commission of and punishment for violations of statutes or local laws or ordinances. *At least ten but not more than 90 days following entry of the order*, the prosecuting authority to whom *such the* matter is referred shall *within the time specified in such order of reference, which time shall not exceed 90 days*, file with the court making *such the* order of reference notice of intent to prosecute or not to prosecute. If *such the* prosecuting authority files notice of intent not to prosecute or fails to act within the time specified, the court shall proceed as if no order of reference had been made. If *such the* prosecuting authority files with the court notice of intent to prosecute the jurisdiction of the juvenile court in the matter is terminated.

Subd. 2. The juvenile court may order a reference only if:

(a) A petition has been filed in accordance with the provisions of section 260.131;

(b) Notice has been given in accordance with the provisions of sections 260.135 and 260.141;

(c) A hearing has been held in accordance with the provisions of section 260.155, *within 30 days after the notice of intent to prosecute*; and

(d) The court finds that *the child is not suitable to treatment or that the public safety is not served under the provisions of laws relating to juvenile courts there is probable cause, as defined by the rules of criminal procedure promulgated pursuant to section 480.059, to believe the child has committed the offense charged and:*

*(1) Past rehabilitative efforts have failed and the child is unable to demonstrate by a preponderance of the evidence that there is a reasonable likelihood that a specific rehabilitative program will eliminate further delinquent acts by the child; or*

*(2) The prosecuting authority has demonstrated by clear and convincing evidence that the public safety would not be served under the provisions of laws relating to juvenile courts; or*

*(3) The offense charged is an aggravated felony against the*

*person and is alleged to have been committed under circumstances that warrant punishment and deterrence in addition to rehabilitation as appropriate responses to the offense, as demonstrated by the prosecuting authority by clear and convincing evidence.*

*For the purposes of this subdivision, "aggravated felony against the person" means a violation of any of the following provisions, or any attempt, as defined by section 609.17, to violate any of the following provisions: sections 609.185; 609.19; 609.195; 609.20, subdivisions 1 or 2; 609.221; 609.222; 609.223; 609.245; 609.25; 609.342; 609.343; 609.344, clauses (c) or (d); 609.345, clauses (c) or (d); 609.561; 609.58, subdivision 2, clause (b), or 609.713.*

*Subd. 3. A prima facie case that the public safety would not be served, as required by subdivision 2, clause (2), shall have been established if the child is at least 16 years of age and:*

*(1) Is charged with murder in the first degree and has been adjudicated delinquent for an offense committed within the preceding 24 months, which offense would be a felony if committed by an adult; or*

*(2) Has been adjudicated delinquent for an offense committed within the preceding 24 months, which offense would be a felony if committed by an adult, and is charged with murder in the second or third degree, manslaughter in the first degree, criminal sexual conduct in the first degree or assault in the first degree; or*

*(3) Has been adjudicated delinquent for two offenses, not in the same behavioral incident, which offenses were committed within the preceding 24 months and which would be felonies if committed by an adult, and is charged with manslaughter in the second degree, kidnapping, criminal sexual conduct in the second degree, arson in the first degree, aggravated robbery, or assault in the second degree; or*

*(4) Has been previously adjudicated delinquent for three offenses, none of which offenses were committed in the same behavioral incident, which offenses were committed within the preceding 24 months and which offenses would be felonies if committed by an adult, and is charged with any felony other than those described in clauses (1), (2) or (3).*

*Subd. 3. 4. When the juvenile court enters an order referring an alleged violation to a prosecuting authority, the prosecuting authority shall proceed with the case as if the jurisdiction of the juvenile court had never attached.*

*Sec. 10. Minnesota Statutes 1978, Section 260.135, Subdivision 1, is amended to read:*

*260.135 [SUMMONS; NOTICE.] Subdivision 1. After a petition has been filed and unless the parties hereinafter named voluntarily appear, the court shall set a time for a hearing and shall issue a summons requiring the person who has custody or control of the minor child to appear with the minor child before the court at a time and place stated. The summons shall recite briefly the sub-*

~~stance of the petition or shall be attached to have a copy of the petition attached, and shall advise the parties of the right to counsel and of the consequences of failure to obey the summons.~~

Sec. 11. Minnesota Statutes 1978, Section 260.135, Subdivision 2, is amended to read:

Subd. 2. The court shall have notice of the pendency of the case and of the time and place of the hearing served upon ~~the parents a parent, guardians guardian, or spouse of a legitimate minor or the mother, guardian, or spouse of an illegitimate minor the child, if they are not who has not been summoned as provided in subdivision 1.~~

Sec. 12. Minnesota Statutes 1978, Section 260.135, Subdivision 5, is amended to read:

Subd. 5. If it appears from the ~~petition or by separate sworn affidavit of a person having knowledge of the fact that the minor is in such condition or surroundings that his that there is probable cause for the issuance of a warrant for arrest or that there are reasonable grounds to believe the child is dependent and the child's health, safety or welfare requires that his custody be immediately assumed by the court, the court may order, by endorsement upon the summons, that the officer serving the summons shall take the minor child into immediate custody at once.~~

Sec. 13. Minnesota Statutes 1978, Section 260.141, Subdivision 1, is amended to read:

260.141 [SERVICE OF SUMMONS, NOTICE.] Subdivision 1. (a) Service of summons of notice required by section 260.135 shall be made *upon the person having custody or control of the child and upon the child, if he is more than 12 years of age, in the same manner in which personal service of summons in civil actions is made. 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 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 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 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 county welfare board required by section 260.135, subdivision 3, shall be in such manner as the court may direct.

Sec. 14. Minnesota Statutes 1978, Section 260.155, Subdivision 1, is amended to read:

260.155 [HEARING.] 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 proceedings involving a child alleged to be delinquent, including hearings conducted pursuant to section 260.125 but excluding dispositional hearings, 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. *Hearings involving a child alleged or determined to be delinquent shall be open to the public unless, upon motion of the prosecuting authority or any party to the proceedings, the court finds it to be in the best interests of the child that the hearings be closed. If the court orders a hearing to be closed, the general public shall not be permitted to attend and the court 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 no event may the court exclude a person directly damaged in person or property as a result of the offense alleged in the case and that person shall be entitled to receive prior notice of all proceedings in the case.* The court shall exclude the general public from ~~those~~ *hearings involving a child alleged or determined to be neglected or dependent* 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. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 15. Minnesota Statutes 1978, Section 260.155, Subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT OF COUNSEL.] The minor, parent, guardian or custodian have the right to *effective assistance of counsel*. If they desire counsel but are unable to employ it, the court shall appoint counsel to represent the minor or his parents or guardian in any other case in which it feels that such an appointment is desirable.

Sec. 16. Minnesota Statutes 1978, Section 260.155, Subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that his parent is a minor or incompetent, or that his parent or guardian is indifferent or hostile

to the minor's interests, and in every proceeding alleging neglect or dependency. In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(c) In appointing a guardian ad litem pursuant to clause (a), if the court finds that it is not in the best interests of the child, the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

Sec. 17. Minnesota Statutes 1978, Section 260.155, is amended by adding a subdivision to read:

*Subd. 8. [WAIVER.] Waiver of any right which a child has under this chapter must be an express waiver intelligently made by the child after the child has been fully and effectively informed of the right being waived. If a child is under 12 years of age, the child's parent, guardian or custodian shall give any waiver or offer any objection contemplated by this chapter.*

Sec. 18. Minnesota Statutes 1978, Section 260.161, Subdivision 1, is amended to read:

260.161 [RECORDS.] Subdivision 1. The juvenile court judge shall keep such minutes and in such manner as he deems necessary and proper. *The court shall keep and maintain records pertaining to delinquency adjudications until the person reaches the age of 23 years and shall release the records on an individual to a requesting adult court for purposes of sentencing. All records pertaining to delinquency adjudications shall be expunged when the person reaches the age of 23 years. Adjudications so expunged shall not be considered thereafter by a court for any purpose whatsoever nor shall they create any other disability.* The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the juvenile. 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. The court shall also keep a register properly indexed in which shall be listed under the name of the juvenile all documents filed pertaining thereto and in the order filed. ~~Such~~ *The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. The legal records maintained in this file shall be open at all reasonable times to the inspection of any minor to whom the records relate, and to his parent and guardian.*

Sec. 19. Minnesota Statutes 1978, Section 260.173, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, if the child had been taken into custody pursuant to section 260.165, subdivision 1, clause (a), ~~or had been found in surroundings or conditions reasonably believed to endanger his health or welfare~~ (c) (1) or (c) (2), and is not alleged to be delinquent, he may be detained only in a shelter care facility.

Sec. 20. Minnesota Statutes 1978, 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 by reason of:

~~(a) Being uncontrolled by his parent, guardian, or other custodian because of waywardness or habitual disobedience; or~~

~~(b) (a) 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, 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; or~~

*(c) Having violated a federal, state or local ordinance as described in section 260.015, subdivision 5, clause (c); he may be placed only in a shelter care facility.*

Sec. 21. Minnesota Statutes 1978, Section 260.181, Subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] The court may dismiss the petition or otherwise terminate its jurisdiction or its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, the jurisdiction of the court shall continue until the individual becomes ~~21~~ 19 years of age if the court determines it is in the best interest of the individual to do so.

Sec. 22. Minnesota Statutes 1978, Section 260.185, Subdivision 1, is amended to read:

260.185 [DISPOSITIONS; DELINQUENT CHILD.] 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 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 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 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 ~~(e)~~ and ~~(d)~~ clause (c), 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 ~~(e)~~ and ~~(d)~~ clause (c), 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 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 has failed to comply with a dispositional order of the court, the court may order that the child be placed in a secure facility for a specified period of time not to exceed 30 days; a child placed in a secure facility pursuant to this clause for a period exceeding eight days shall have his case reviewed by the court entering the order at the end of every eight days of placement to determine if continued placement in the facility up to the expiration of the specified period is warranted;*

~~(f)~~(h) 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-;

~~(g)~~ (i) 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 eighteenth 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 eighteenth birthday, and the commissioner is hereby authorized to cancel such 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.

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 disposition 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. 23. Minnesota Statutes, 1978, Section 260.185, is amended by adding a subdivision to read:

*Subd. 1a. [DISPOSITIONAL HEARING.] Whenever a juvenile is adjudicated a delinquent because of a violation of a statute, the court, upon motion of either the delinquent child or the state, shall hold a dispositional hearing. The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of disposition. The parties may submit written arguments to the court prior to the date of the hearing and may make oral arguments before the court at the dispositional hearing. Prior to the hearing, the court shall transmit to the delinquent child or his attorney and the prosecuting attorney copies of the predisposition investigation report.*

*At the conclusion of the dispositional hearing or within 20 days thereafter, the court shall issue written findings of fact and conclusions of law regarding the issues submitted by the parties, and shall enter an appropriate order.*

Sec. 24. Minnesota Statutes 1978, Section 260.185, is amended by adding a subdivision to read:

*Subd. 1b. [DEVIATION FROM GUIDELINES.] Whether or not a dispositional hearing is requested pursuant to subdivision 1a, the juvenile court shall make written findings of fact as to the reasons for departure from the dispositional guidelines promulgated pursuant to section 26 in each case in which the court orders a disposition that deviates from the dispositional guidelines applicable to the case.*

Sec. 25. Minnesota Statutes 1978, Section 260.185, is amended by adding a subdivision to read:

*Subd. 1c. [APPELLATE REVIEW OF DISPOSITION.] An*

*appeal to the supreme court may be taken by the delinquent child or the state from any disposition ordered by the juvenile court in Hennepin or Ramsey County, or to the district court first and thereafter to the supreme court where the disposition is ordered by the juvenile court in any other county. A dismissal of an appeal brought under this subdivision shall not prejudice an appeal brought under any other provision of law or rule.*

*When an appeal taken under this subdivision is filed, the clerk of the juvenile court shall certify to the supreme court the transcript of the proceedings and any files or records relating to the delinquent child, the offense, and the disposition, that the supreme court by rule or order may require.*

*On an appeal pursuant to this subdivision, the supreme court may review the disposition to determine whether it is inconsistent with statutory requirements, unreasonable, inappropriate, excessive, unjustifiably disparate, or not warranted by the findings of fact issued by the juvenile court. This review shall be in addition to all other powers of review presently existing. The supreme court may dismiss or affirm the appeal, vacate or set aside the disposition and direct entry of an appropriate disposition or order further proceedings to be had as the supreme court may direct.*

*This section shall not be construed to confer or enlarge any right of a delinquent child to be released pending an appeal.*

**Sec. 26. Minnesota Statutes 1978, Chapter 260, is amended by adding a section to read:**

**[260.186] [MINNESOTA JUVENILE COURT DISPOSITIONAL GUIDELINES COMMISSION.]** *Subdivision 1. There is hereby established the Minnesota juvenile dispositional guidelines commission which shall be comprised of nine members.*

*Subd. 2. For the purposes of this section, "detention" means out-of-home residential placement of a delinquent child ordered pursuant to section 260.185.*

*Subd. 3. The commission shall consist of the following:*

- (1) The chief justice of the supreme court or his designee;*
- (2) Two juvenile court judges appointed by the chief justice of the supreme court, one of whom shall be a designated juvenile court judge in Ramsey or Hennepin County;*
- (3) One public defender appointed by the governor upon recommendation of the state public defender;*
- (4) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;*
- (5) The commissioner of corrections or his designee; and*
- (6) Three public members appointed by the governor.*

*One of the members shall be designated by the governor as chairman of the commission.*

*Subd. 4. Each appointed member shall be appointed for four years and shall continue to serve during that time as long as he occupies the position which made him eligible for the appointment. Each member shall continue in office until his successor is duly appointed. Members shall be eligible for reappointment, and appointment may be made to fill an unexpired term. The members of the commission shall elect any additional officers necessary for the efficient discharge of their duties.*

*Subd. 5. Each member of the commission shall be reimbursed for all reasonable expenses actually paid or incurred by him in the performance of his official duties in the same manner as other employees of the state. The public members of the commission shall be compensated at the rate of \$50 for each day or part thereof spent on commission activities.*

*Subd. 6. The commission shall, on or before January 1, 1983, promulgate dispositional guidelines for the juvenile courts. The guidelines shall be based on reasonable offense and offender characteristics and shall outline appropriate dispositions which are proportional to the offense committed by the juvenile. The guidelines promulgated by the commission shall be advisory to the juvenile court and shall establish:*

*(1) The circumstances under which detention or secure detention of an offender is proper; and*

*(2) A presumptive, fixed period of detention or secure detention for offenders for whom detention or secure detention is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines may provide for an increase or decrease of up to 15 percent in the presumptive, fixed period of detention or secure detention.*

*The dispositional guidelines promulgated by the commission may also establish appropriate dispositions for offenders for whom detention is not proper. Any guidelines promulgated by the commission establishing dispositions for offenders for whom detention is not proper shall make specific reference to noninstitutional dispositions, including but not limited to the following: payment of fines, restitution, community work orders, community based non-residential programs, and probation and the conditions thereof.*

*In establishing the dispositional guidelines, the commission shall take into substantial consideration current dispositional practices and resources, including but not limited to the capacities of local and state facilities.*

*The provisions of sections 15.0411 to 15.052 do not apply to the promulgation of the dispositional guidelines.*

*Subd. 7. The commission, in addition to establishing dispositional guidelines, shall serve as a clearing house and information center for the collection, preparation, analysis and dissemination*

of information on state and local juvenile dispositional practices, and shall conduct ongoing research regarding dispositional guidelines, use of detention and alternatives to detention, plea bargaining, and other matters relating to the improvement of the juvenile justice system. The commission shall from time to time make recommendations to the legislature regarding changes in the juvenile court act, juvenile court procedures, and other aspects of disposition.

Subd. 8. The commission shall study the impact of the dispositional guidelines promulgated by the commission after their implementation.

Subd. 9. The commissioner of corrections shall provide adequate office space and administrative services for the commission, and the commission shall reimburse the commissioner for the space and services provided. The commission may also utilize, with their consent, the services, equipment, personnel, information and resources of other state agencies; and may accept voluntary and uncompensated services, contract with individuals, public and private agencies, and request information, reports and data from any agency of the state, or any of its political subdivisions, to the extent authorized by law.

Subd. 10. When any person, corporation, the United States government, or any other entity offers funds to the dispositional guidelines commission to carry out its purposes and duties, the commission may accept the offer by majority vote and upon acceptance the chairman shall receive the funds subject to the terms of the offer, but no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 11. The commission may select and employ a research director who shall perform the duties the commission directs, including the hiring of any clerical help and other employees as the commission shall approve. The research director and other staff shall be in the unclassified service of the state and their salary shall be established by the commission. They shall be reimbursed for the expenses necessarily incurred in the performance of their official duties in the same manner as other state employees.

Subd. 12. The commission shall meet as necessary for the purpose of modifying and improving the guidelines.

Subd. 13. The guidelines shall be submitted to the legislature on or before January 1, 1983, and shall be effective May 1, 1983, unless the legislature provides otherwise.

Sec. 27. Minnesota Statutes 1978, Section 260.191, Subdivision 1, is amended to read:

260.191 [DISPOSITIONS; CHILDREN WHO ARE NEGLECTED, DEPENDENT, OR NEGLECTED AND IN FOSTER CARE.] 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 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 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 is licensed as a residential facility pursuant to sections 245.781 to 245.813.*

(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) *Counsel the child or his parent, guardian or custodian.*

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. 28. Minnesota Statutes 1978, Section 260.193, is amended to read:

260.193 [JUVENILE TRAFFIC OFFENDER; PROCEDURES; DISPOSITIONS.] Subdivision 1. (a) *For purposes of this section, the following terms have the meanings given them.*

(b) *"Major traffic offense" includes any violation of a state or local traffic law, ordinance, or regulation, or a federal, state, or local water traffic law not included within the provisions of clause (c).*

(c) *"Minor traffic offense" means a violation of a state or local traffic law, ordinance, or regulation, or a federal, state, or local water traffic law constituting an offense punishable only by fine of not more than \$100.*

Subd. 2. *A child who violates a state or local traffic law, ordinance, or regulation, or who violates a federal, state, or local water traffic law commits a major traffic offense shall be adjudicated a "juvenile highway traffic offender" or a "juvenile water traffic offender," as the case may be, 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 relating to juvenile courts.

*Subd. 3. A child who commits a minor traffic offense shall be subject to the laws and court procedures controlling adult traffic violators and shall not be under the jurisdiction of the juvenile court. When a child is alleged to have committed a minor traffic offense, the peace officer making the charge shall follow the arrest procedures prescribed in section 169.91 and shall make reasonable effort to notify the child's parent or guardian of the nature of the charge.*

*Subd. 2 4. When a child is alleged to have violated any state or local traffic law, ordinance, or regulation committed a major traffic offense, the peace officer making the charge shall file a signed copy of the notice to appear, as provided in section 169.91, with the juvenile court of the county in which the violation occurred, and the notice to appear has the effect of a petition and gives the juvenile court jurisdiction. Filing with the court of a notice to appear containing the name and address of the child allegedly violating a federal, state, or local water traffic law committing a major traffic offense and specifying the offense charged, the time and place of the alleged violation shall have the effect of a petition and give the juvenile court jurisdiction. Any reputable person having knowledge of a child who violates a state or local traffic law, ordinance, or regulation or a federal, state, or local water traffic law, ordinance, or regulation commits a major traffic offense 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 is a juvenile highway traffic offender or a juvenile water traffic offender, the court shall summon and notify the persons required to be summoned or notified as provided in sections 260.135 and 260.141. However, it is not necessary to (1) notify more than one parent, or (2) publish any notice, or (3) personally serve outside the state.*

*Subd. 3 5. Before making a disposition of any child found to be a juvenile highway major traffic offender, the court shall obtain from the department of transportation information of any previous traffic violation by this juvenile. In the case of a juvenile water traffic offender, he shall obtain from the office where such the information is now or hereafter may be kept information of any previous water traffic violation by such the juvenile.*

*Subd. 4 6. If after a hearing the court finds that the welfare of a juvenile highway major traffic offender or a juvenile water traffic offender or the public safety would be better served under the laws controlling adult traffic violators, the court may transfer the case to any court of competent jurisdiction presided over by a salaried judge if there is one in the county. The juvenile court transfers the case by forwarding to the appropriate court the documents in the court's file together with an order to transfer. The court to which the case is transferred shall proceed with the case as if the jurisdiction of the juvenile court had never attached.*

Subd. 5 7. If the juvenile court finds that the child is a juvenile *major* highway or water traffic offender, it may make any one or more of the following dispositions of the case:

(a) Reprimand the child and counsel with the child and his parents;

(b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;

(c) Require the child to attend a driver improvement school if one is available within the county;

(d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;

(e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until he reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned to him, and the commissioner of public safety is authorized to return the license;

(f) Place the child under the supervision of a probation officer in his own home under conditions prescribed by the court including reasonable rules relating to his operation and use of motor vehicles or boats directed to the correction of his driving habits;

(g) *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.*

Subd. 6 8. The juvenile court shall report the disposition of all juvenile highway traffic cases to the commissioner of public safety, as provided in section 171.16, on the standard form provided by the department of public safety under section 169.95.

Subd. 7 9. The juvenile court records of juvenile highway traffic offenders and juvenile water traffic offenders shall be kept separate from delinquency matters.

Sec. 29. Minnesota Statutes 1978, Section 260.211, Subdivision 1, is amended to read:

260.211 [EFFECT OF JUVENILE COURT PROCEEDINGS.]  
Subdivision 1. No adjudication upon the status of any child in the jurisdiction of the juvenile court shall operate to impose any of the civil disabilities imposed by conviction, nor shall any child be deemed a criminal by reason of this adjudication, nor shall this

adjudication be deemed a conviction of crime. The disposition of the child or any evidence given by the child in the juvenile court shall not be admissible as evidence against him in any case or proceeding in any other court, *except that an adjudication may later be used to determine a proper sentence*, nor shall the disposition or evidence disqualify him in any future civil service examination, appointment, or application.

Sec. 30. Minnesota Statutes 1978, Chapter 480, is amended by adding a section to read:

[480.0595] [JUVENILE COURT PROCEEDINGS, PLEADINGS, PRACTICE AND PROCEDURE.] *Subdivision 1. [RULES AND REGULATIONS.] The supreme court shall regulate the pleadings, practice, procedure, and the forms applicable in all juvenile court proceedings in this state, by rules promulgated by it from time to time. The rules shall not abridge, enlarge, or modify the substantive rights of any person.*

*Subd. 2. [ADVISORY COMMITTEE.] Before the rules are adopted the chief justice of the supreme court shall appoint an advisory task force consisting of five lawyers licensed to practice law in the state, the chairman of the Minnesota corrections board or his designee, a peace officer, two public members and three juvenile court judges, at least one of whom shall be a designated juvenile court judge in Hennepin or Ramsey county, to assist the court in considering and preparing the rules.*

*Subd. 3. [RECOMMENDATIONS BY JUDICIAL COUNCIL.] The judicial council, upon the request of the supreme court or upon its own initiative in accordance with the provisions of chapter 483, may at any time make recommendations to the court concerning the rules.*

*Subd. 4. [DISTRIBUTION OF PROPOSED RULES; HEARING.] Before any such rule is adopted, the supreme court shall distribute copies of the proposed rule to the judiciary and attorneys of the state for their consideration and suggestions and give due consideration to such suggestions as they may submit to the court. Any interested person may file with the court a petition specifying suggestions concerning any existing or proposed rule and requesting a hearing thereon. The court may thereupon grant a hearing.*

*Subd. 5. [RULES NOT IN CONFLICT.] Any juvenile court, other than the supreme court, may adopt rules of court governing its practice; but the rules shall not conflict with the rules promulgated by the supreme court.*

*Subd. 6. [PROMULGATION.] (1) [EFFECTIVE DATE OF RULES; PUBLICATION.] All rules promulgated under this section shall be effective at a time fixed by the court and shall be published in the appendix to the official reports of the supreme court and shall be bound therewith. The court shall publish and distribute to the judiciary and attorneys of the state, on or before September 1, 1981, copies of the final version of the rules it intends to adopt. A period of at least 120 days shall be allowed*

*from the date of publication of this final version for the rules to be studied by the judiciary and attorneys of the state prior to the adoption of any of the rules.*

(2) [PRINTING, PUBLISHING AND DISTRIBUTING.] *The commissioner of administration shall print, publish and distribute copies thereof to the judiciary and attorneys and as required by law.*

Subd. 7. [EFFECT UPON STATUTES.] *Present statutes relating to the pleadings, practice, procedure, and the forms thereof in juvenile court proceedings shall be effective until modified or superseded by court rule. No rule may be promulgated pursuant to this section which is in conflict with a statute.*

Subd. 8. [RIGHT RESERVED.] *This section shall not abridge the right of the legislature to enact, modify, or repeal any statute or modify or repeal any rule of the supreme court adopted pursuant thereto.*

Sec. 31. Minnesota Statutes 1978, Section 540.18, Subdivision 1, is amended to read:

540.18 [DAMAGE BY MINOR; RESPONSIBILITY OF PARENT, GUARDIAN, AND MINOR.] 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 \$199 \$500, if such minor would have been liable for such injury or damage if he had been an adult. Nothing in this subdivision shall be construed to relieve such minor from personal liability for such 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.*

Sec. 32. Minnesota Statutes 1978, Chapter 609, is amended by adding a section to read:

[609.169] [AUTOMATIC EXPUNGEMENT.] *Subdivision 1. In the case of a felony conviction, after a ten year period has elapsed since the date of discharge from or expiration of sentence, during which period the convicted person has not been convicted of a felony, gross misdemeanor or misdemeanor, all records pertaining to the felony conviction and all prior convictions shall be expunged and shall not be considered thereafter by a court for any purpose whatsoever nor shall they create any other disability.*

Subd. 2. *In the case of a misdemeanor or gross misdemeanor conviction, after a five year period has elapsed since the date of discharge from or expiration of sentence, during which period the convicted person has not been convicted of a felony, gross misdemeanor or misdemeanor, all records pertaining to the misdemeanor or gross misdemeanor conviction and all prior convictions shall be expunged and shall not be considered thereafter by a court for any purpose nor shall they create any other disability.*

**Sec. 33. [REPEALER.]** *Minnesota Statutes 1978, Section 609.685 is repealed.*

**Sec. 34. [EFFECTIVE DATE.]** *Subdivision 1. Section 26 is effective May 1, 1981. Sections 23, 24 and 25 are effective May 1, 1983, and apply to all offenses committed on or after that date.*

*Subd. 2. Sections 1 to 22, and 27 to 33 are effective August 1, 1980 and apply to all offenses committed on or after that date."*

Amend the title by deleting it and inserting:

"A bill for an act relating to juveniles and corrections; modifying dispositions available to juvenile court judges; increasing civil liability of parents for intentional acts of their children; changing the definitions of "delinquent" and "dependent" children; modifying statutory provisions relating to records of convictions and adjudications of delinquency; making the rules of evidence applicable in juvenile proceedings; providing for open hearings for juveniles in certain cases; modifying procedures in juvenile court; providing for informed consent by juveniles to waiver of rights; providing for the promulgation of statewide juvenile court rules; providing for a juvenile dispositional guidelines commission and the promulgation and application of guidelines; modifying the jurisdiction of the juvenile courts; modifying the provisions for reference of juveniles for adult prosecution; expanding the coverage of the provisions requiring preparation of a case plan for children placed in foster care; repealing the statute prohibiting underage smoking; amending Minnesota Statutes 1978, Sections 257.071, Subdivision 1; 260.011, Subdivision 2; 260.015, Subdivisions 5 and 6; 260.031, Subdivision 4; 260.111, Subdivision 1; 260.115, Subdivision 1; 260.121, Subdivision 3; 260.125; 260.135, Subdivisions 1, 2, and 5; 260.141, Subdivision 1; 260.155, Subdivisions 1, 2, 4 and by adding a subdivision; 260.161, Subdivision 1; 260.173, Subdivisions 2 and 3; 260.181, Subdivision 4; 260.185, Subdivision 1, and by adding subdivisions; 260.191, Subdivision 1; 260.193; 260.211, Subdivision 1; 540.18, Subdivision 1; and Chapters 260, by adding a section; 480, by adding a section; and 609, by adding a section; repealing Minnesota Statutes 1978, Section 609.685."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1428: A bill for an act relating to hospitalization and commitment; requiring committing courts to establish result oriented evaluation programs for committed persons; appointment of counsel guardians for committed persons; establishing a central agency within the department of public welfare which shall develop a program of statistical analysis relating to treatment of committed persons.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "establish a result oriented" and insert "participate in a statewide results-oriented"

Page 3, line 5, after the period, insert "The panel shall include consultation with a recognized state medical psychiatric organization prior to dissemination of the data among the two professions, law and medicine.

Sec. 2. [APPROPRIATION.] There is appropriated from the general fund to the commissioner of public welfare, for the purposes of section 1, the sum of \$. . . . . for the remainder of the biennium."

Amend the title as follows:

Page 1, line 9, after "persons" insert "; appropriating money"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1686: A bill for an act relating to courts; providing for elections in a county court district.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. In order to make judicial services available to the widest geographic area in county court district 8C, consisting of the counties of Big Stone, Grant, Pope, Stevens, Traverse and Wilkin, no more than one county court judge may reside in any one county unless there is a resident judge in each county of that district. This section shall not apply during the first two years after a second judge resident of the county is appointed or elected.

Sec. 2. The voters in Grant County shall be entitled to vote in the election of any county court judge in county court district 8C occurring prior to the regular elections for county court judges in November 1982.

Sec. 3. This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to county court district 8C; providing for residency of county court judges in the counties of Big Stone, Grant, Pope, Stevens, Traverse and Wilkin; providing for election of judges in those counties."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1680: A bill for an act relating to motor vehicles; setting due dates for installment payments of motor vehicle registration taxes; extending the coroner's reporting time of deaths resulting from motor vehicle accidents; authorizing the use of accident reports by certain agencies for accident analysis purposes; requiring bumpers on certain motor vehicles, and requiring rear rigid safeguards on certain trucks, trailers and semi-trailers; amending Minnesota Statutes 1978, Sections 168.31, Subdivision 4; 169.09, Subdivisions 11 and 13, and 169.73, Subdivision 2; repealing Minnesota Statutes 1978, Section 169.73, Subdivisions 1, 3, 4 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 28, reinstate the stricken language

Page 3, line 29, delete the new language

Page 3, line 31, reinstate the stricken language and delete the new language

Page 4, line 31, after "publications" insert "*and licensed radio and television stations*"

Page 5, line 4, after "publications" insert "*and licensed radio and television stations*"

Page 5, line 8, after "publication" insert "*or broadcast*"

Page 5, line 12, reinstate the stricken language and delete the new language

Page 5, line 14, reinstate the stricken language

Page 5, line 15, delete "*analysis*"

Pages 5 and 6, delete sections 4 and 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "*analysis*" and insert "*prevention*"

Page 1, line 7, delete "*requiring*"

Page 1, delete lines 8 and 9

Page 1, line 10, delete "*and semi-trailers;*"

Page 1, line 11, after the semicolon insert "*and*"

Page 1, line 12, delete "*, and 169.73, Subdivision 2;*" and insert a period

Page 1, delete lines 13 and 14

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1752: A bill for an act relating to commerce; requiring invoices on certain repairs; amending Minnesota Statutes 1978, Sections 325.972; and 325.976.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete everything after "repair"

Page 1, delete lines 11 and 12

Page 1, line 13, delete the new language and insert *"means warranty work or work performed for a total price of more than \$50, including the price of parts and materials, to restore a malfunctioning, defective or worn motor vehicle, appliance or dwelling place used primarily for personal, family, or household purposes and not primarily for business or agricultural purposes. "Repairs" do not include service calls or estimates."*

Page 2, line 12, delete everything after *"of the"* and insert *"symptoms, as described by the customer, for which the repairs were sought"*

Page 2, line 13, delete the new language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1668: A bill for an act relating to health care; further defining "qualified expense" as it relates to catastrophic health expense protection; amending Minnesota Statutes 1978, Section 62E.52, Subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.] The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, a number two qualified plan and a qualified medicare supplement plan. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. *Notwithstanding the provisions of section 62E.06, the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder.*

Sec. 2. Minnesota Statutes 1978, Section 62E.14, Subdivision 3, is amended to read:

Subd. 3. [PRE-EXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any pre-existing condition during the first ~~six~~ 12 months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application.

Sec. 3. Minnesota Statutes 1978, Section 62E.53, is amended by adding a subdivision to read:

*Subd. 4. Health services provided outside Minnesota to eligible persons are qualified expenses in the following situations:*

*(1) When it is general practice for residents of Minnesota to use health services beyond the borders of this state; or*

*(2) When the availability of necessary medical care, services, or supplementary resources make it necessary for an individual to use health services outside the state; or*

*(3) Where an emergency arises from accident or illness and the individual is outside the state; or*

*(4) Where the health of the individual would be endangered if the care and services were postponed until he returns to Minnesota; or*

*(5) Where the health of the individual would be endangered if he attempted to return to Minnesota in order to receive medical care.*

Sec. 4. Section 1 of this act is effective on August 1, 1980 and shall apply to all hospitalizations occurring on or after said date. Section 2 is effective for policies issued on or after August 1, 1980. The remaining sections are effective the day following final enactment."

Delete the title in its entirety and insert:

"A bill for an act relating to health care; excluding coverage of certain services in the Comprehensive Health Insurance plan; extending the pre-existing condition period; qualifying certain services covered by the Catastrophic Health Expense Protection program; repealing certain provisions; amending Minnesota Statutes 1978, Section 62E.12; 62E.14, Subdivision 3; 62E.53, by adding a subdivision."

And when so amended the bill do pass. Mr. Sikorski questioned the reference thereon and under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 1448: A bill for an act relating to insurance; placing certain restrictions on life insurance policies designed to protect certain interests arising out of business relationships; amending Minnesota Statutes 1978, Chapter 61A, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete everything after the period

Page 1, delete lines 19 to 23 and insert *"Any insurer which, according to its records, has in force such a policy must, upon request of the insured, inform the insured that the policy is in force. An employer which owns such a policy insuring the life of an employee must give notice to the employee and the insurer within ten days after the termination of the employee's employment if it intends to continue the policy in force. The employer's notice to the insurer shall state that the employment relationship has terminated and the employee's last known address. If the policy is continued in force after the grace period following the next policy anniversary date the insurer shall, within ten days following the expiration of the grace period, notify the insured of the continuance. The required notice shall be in writing and sent by first class mail to the last known address of the addressee."*

Page 2, line 1, delete *"the day following"*

Page 2, delete line 2, and insert *"July 1, 1980."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2284: A bill for an act relating to financial institutions; requiring all checks and drafts drawn on certain accounts to clearly display the month and year the account was opened.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

*"Section 1. [48.511] [CHECKING ACCOUNTS; DISCLOSURE.] All checks, drafts or similar negotiable or non-negotiable instruments or orders of withdrawal which are drawn against funds held by a financial institution in a consumer deposit account opened after July 1, 1980, shall clearly display on the face thereof the month and year in which the account was opened. With respect to a new account for a person who has had at the time of opening the new account, an account in good standing at the same or another financial institution, the month and year that the other account was opened shall be displayed for the new account. This section does not apply to temporary checks, drafts, or similar temporary negotiable or non-negotiable instruments or orders of withdrawal.*

For purposes of this section the term "consumer deposit account" means a demand or other similar deposit account established and maintained by a natural person with a financial institution and operated primarily for personal, family or household purposes.

For purposes of this section the term "financial institution" means any bank subject to chapter 48, savings bank subject to chapter 50, savings and loan association subject to chapter 51A, credit union subject to chapter 52, and any federally chartered commercial bank, savings and loan association and credit union, organized and operated in this state pursuant to the laws of the United States.

No liability shall be imposed on any financial institution or printer for an unintentional failure to comply with this section."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1262: A bill for an act relating to the operation of state government; establishing a system of periodic review of the operation of occupational licensing agencies; creating guidelines; establishing legislative review procedures; setting termination dates.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, delete "1981" and insert "1982"

Page 2, line 22, delete "1982" and insert "1983"

Page 2, line 25, before "board" insert "Minnesota"

Page 3, line 2, delete "1983" and insert "1984"

Page 3, line 12, delete "1984" and insert "1985"

Page 3, line 28, delete "1985" and insert "1986"

Page 4, line 8, delete "1986" and insert "1987"

Page 4, line 11, delete "council" and insert "committee"

Page 4, line 18, delete "1987" and insert "1988"

Page 4, delete lines 25 and 26 and insert:

"(d) The water well contractors advisory council, established in Minnesota Statutes, Section 156A.06"

Page 5, line 4, before the period, insert "and any pending activities or determinations shall be concluded by the commissioner of administration"

Page 5, line 11, after "the" insert "appropriate standing committees of the"

Page 5, line 12, after "legislature" insert ", as designated by the president of the senate for senate committees and by the speaker of the house for house committees,"

Page 5, line 20, before "Each" insert "One year before its scheduled termination date"

Page 5, line 20, delete "committee" and insert "committees designated to receive"

Page 5, line 21, delete "receiving"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2353: A bill for an act relating to financial institutions; modifying director's residence requirements for industrial loan and thrift companies; providing for a report to the commissioner in the event of a change of control; requiring insurance or guarantee of certificates of indebtedness sold or issued for investment; exempting certificates of indebtedness from the regulation of securities; amending Minnesota Statutes 1978, Sections 53.06; 53.09, Subdivision 2; Chapter 53, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 80A.15, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 24, delete "April 1, 1981" and insert "July 1, 1983"

Page 3, line 6, after "the" insert "lesser of the"

Page 3, line 7, delete everything after "under"

Page 3, line 8, delete "not less than" and insert "a certificate or"

Page 3, line 8, after the period, insert "*For purposes of this section an insurance company or guarantee fund includes an insurance company authorized to do business in this state, an insurance or guarantee fund organized under the laws of the United States, this state or any other state with the expressed purpose or authority to guarantee the accounts of industrial loan and thrift companies or any other person who contracts with industrial loan and thrift companies to guarantee accounts.*"

Page 3, line 15, delete "April 1, 1982" and insert "July 1, 1985"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1694: A bill for an act relating to retirement; providing a post retirement adjustment to certain omitted recipients; amending Laws 1979, Chapter 293, Section 10, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 6, insert:

"Sec. 2. Laws 1979, Chapter 293, Section 10, is amended by adding a subdivision to read:

**Subd. 6. [TRANSFER OF APPROPRIATION; TERMINAL AUDIT.]** *From the amounts appropriated and apportioned pursuant to subdivision 5, there is transferred to the commissioner of finance for purposes of redistribution the specified amount from each fund indicated, as follows:*

highway patrol retirement fund	\$ 11,971
state employees retirement fund	263,100
public employees retirement fund	238,155
public employees police and fire fund	45,471

*From the total amount transferred to the commissioner of finance for redistribution, the commissioner shall transfer the specified amount to each fund indicated as follows:*

Minneapolis municipal employees retirement fund	\$ 25,780
teachers retirement fund	173,711

*The remaining balance of the appropriation transferred to the commissioner of finance following redistribution shall cancel and shall be returned to the general fund.*

*Each covered retirement fund as specified in subdivision 4 shall, as soon as is practical following the payment of the December 1, 1980, post retirement adjustment, calculate the amount of any appropriation apportioned to it which is in excess of the amounts required to pay the December 1, 1970, and December 1, 1980, post retirement adjustments and the post retirement adjustments provided for in this act. In addition, the executive secretary of the state board of investment, for covered retirement funds specified in subdivision 4, clauses (1) to (5), and the executive secretary of the Minneapolis municipal employees retirement fund, for that fund, shall calculate the amount which represents for each applicable covered retirement fund the investment income which the fund received on its portion of the appropriation calculated on the basis of the actual annual rate of investment return received on the assets of the retirement fund. The calculations required by this paragraph shall be reported to and verified by the commissioner of finance and amounts equal to these reported excess appropriation and investment income amounts shall be returned to the general fund.*

*The commissioner of finance is not authorized to adjust or modify any appropriation made pursuant to Laws 1979, Chapter 293, Section 10 or any amounts transferred pursuant to this act except in accordance with this subdivision."*

Page 2, line 15, after the first "the" insert "second" and delete "next"

Page 2, after line 17, insert:

"Sec. 4. [REPEALER.] Laws 1979, Chapter 293, Section 10, Subdivision 2, is repealed."

Page 2, line 19, delete "2" and insert "3"

Page 2, line 20, after "enactment." insert "Section 4 is effective retroactively to July 1, 1979."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "recipients;" insert "transferring certain appropriations;"

Page 1, line 5, after "Subdivision 1" insert "; and by adding a subdivision; repealing Laws 1979, Chapter 293, Section 10, Subdivision 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 678: A bill for an act relating to the operation of state government; providing for the expiration or periodic reevaluation of various regulatory programs; requiring program and fiscal review of regulatory programs; providing for performance audits by the legislative auditor; establishing a pilot program; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "affect" and insert "effect"

Page 5, line 19, delete "of this article"

Page 5, line 23, delete "complimentary" and insert "complementary"

Page 8, line 4, delete "1979" and insert "1980"

Page 8, line 13, delete "1981" and insert "1982"

Page 8, line 16, delete "1981" and insert "1982"

Page 8, line 21, delete "article I,"

Page 9, line 2, delete "1982" and insert "1983"

Page 9, line 10, delete "16.853" insert "16.851"

Page 9, line 12, before "historical" insert "Minnesota state"

Page 9, line 22, before "board" insert "review"

Page 10, line 2, before "energy" insert "Minnesota"

Page 10, line 2, after "agency" insert "to establish an energy conservation information center,"

Page 10, line 11, delete "16H.121" and insert "116H.121"

Page 10, line 13, delete "1983" and insert "1984"

Page 10, line 21, after "construction," insert "to approve certain rental contracts and"

Page 10, line 22, delete "and to permit attendance at a school outside a"

Page 10, line 23, delete "student's district,"

Page 11, line 1, after "subdivision 6" delete the comma and insert "and"

Page 11, line 2, delete "and 124.561, subdivision 3"

Page 11, line 12, delete ", 237.06 to 237.08, 237.16, 237.23 and 237.39" and insert "and 237.075"

Page 11, line 20, delete "216.42" and insert "216B.42", after "216B.49" delete the comma and insert "and" and after "237.081" delete ", 237.12, 237.20 and 237.21"

Page 11, line 21, delete "1984" and insert "1985"

Page 11, line 29, delete "state fire marshal" and insert "commissioner of public safety"

Page 11, line 30, delete "grant variances from fire safety requirements and to"

Page 11, line 31, delete "sections" and insert "section"

Page 11, line 32, delete "and 299F.57, subdivision 5"

Page 12, line 6, delete "board" and insert "commissioner"

Page 12, line 13, delete "board" and insert "commissioner"

Page 12, line 16, after "144.121" delete the comma and insert "and"

Page 12, line 17, delete "and 145.71 to 145.83"

Page 12, line 18, delete "board" and insert "commissioner"

Page 13, line 21, delete "72A.06, 79.07" and insert "79.071"

Page 13, line 31, delete "subdivision 3,"

Page 13, line 32, delete "62D.18, 62D.19,"

Page 14, line 15, delete "subdivisions 3 and 4,"

Page 14, line 17, delete "1985" and insert "1986"

Page 15, line 7, after "105.43" delete the comma and insert "and" and after "105.64" delete "and 116.07,"

Page 15, line 8, delete "subdivision 7"

Page 16, line 11, delete "1986" and insert "1987"

Page 16, line 26, delete "32.56" and insert "32.55"

Page 17, line 12, delete "1" and insert "2"

Page 17, line 17, delete "1987" and insert "1988"

- Page 17, line 22, after "director" insert "of the bureau"
- Page 18, line 14, delete "182.665" and insert "182.655"
- Page 18, line 14, delete the semicolon and insert a period
- Pages 18 and 19, delete subdivisions 7 to 18
- Page 19, line 21, delete "1987" and insert "1988"
- Page 19, line 27, delete "director of the public"
- Page 19, line 28, delete "service department" and insert "commissioner of agriculture"
- Page 19, line 32, after "marshal" insert "and the commissioner of public safety"
- Page 20, line 9, before "historical" insert "Minnesota state"
- Page 20, delete lines 12 to 15
- Page 20, line 21, delete "real estate brokers and salesmen,"
- Page 20, line 22, delete the last comma and insert "and"
- Page 20, line 23, delete "and chapter 82"
- Page 20, delete lines 24 to 33
- Page 21, delete lines 1 to 16
- Page 21, line 27, delete "director of consumer"
- Page 21, line 28, delete "services" and insert "commissioner of securities"
- Page 21, delete lines 30 to 32
- Renumber the subdivisions in sequence
- Page 22, line 3, delete "director of the public"
- Page 22, line 4, delete "service department" and insert "commissioner of agriculture"
- Page 22, line 8, delete "public"
- Page 22, line 9, delete "safety" and insert "transportation"
- Page 24, line 5, after the period, insert "The revisor shall annually revise the statutory citations in the schedule in sections 2 to 8 to reflect any statutory changes in the regulatory programs listed in the schedule."
- Page 24, line 8, delete "1983" and insert "1984"
- Page 24, line 9, delete "1983" and insert "1984"
- And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 403: A bill for an act relating to local government; permitting self insurance for local governments; authorizing insur-

ance pooling; amending Minnesota Statutes 1978, Sections 60A.02, Subdivisions 3 and 4; 79.01, Subdivisions 2 and 3; and Chapter 471, by adding sections.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, after "insurance" insert "for purposes of this subdivision"

Page 2, line 1, after "but" insert "for purposes of this subdivision"

Page 2, line 9, delete "It" and insert "For purposes of this subdivision "insurer" "

Page 2, line 20, after "insurance" insert "for purposes of this subdivision"

Page 3, line 22, after "hazard" insert ", not including health, life, accident or disability of its employees,"

Page 3, line 24, after "hazard" insert ", not including health, life, accident or disability of its employees"

Page 4, lines 26 to 33, delete subdivision 4

Renumber the remaining subdivision

Page 5, line 1, delete everything after "5."

Page 5, line 2, delete everything before "a"

Page 5, line 2, delete "to" and insert "may"

Page 5, line 4, delete "or to" and insert "and may"

Page 5, delete lines 8 to 25 and insert:

"[471.982] [REVIEW OF JOINT SELF INSURANCE POOL.]  
Subdivision 1. Prior to the formation of a pool, there shall be submitted for approval to the commissioner of insurance a complete written proposal of the pool's operation, including, but not limited to, administration, claims adjusting, membership, capitalization, and provision for payment of claims exceeding the pool's assets. The commissioner shall review the proposal and approve or disapprove within 60 days after receipt to assure that proper insurance techniques and procedures are included in the proposal. If the commissioner does not disapprove within 60 days after receipt of the proposal, the proposal is deemed approved. Each pool shall file with the commissioner of insurance on or before March 1 of each year a written report in a form prescribed by the commissioner as to its condition. The report shall include a detailed statement of assets and liabilities, the amount and character of the business transacted, and the moneys reserved and expended during the previous year.

Subd. 2. The commissioner of insurance is authorized to promulgate administrative rules, including emergency rules pursuant to sections 15.0411 to 15.052. These rules may provide standards

*or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section and shall at a minimum require the following:*

*(a) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;*

*(b) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;*

*(c) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;*

*(d) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;*

*(e) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;*

*(f) Premiums shall either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings;*

*(g) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;*

*(h) Each pool shall be audited annually by a certified public accountant;*

*(i) Limitations on the payment of dividends to pool members may be established as necessary to assure the solvency of the pool;*

*(j) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;*

*(k) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;*

*(l) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;*

*(m) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in Minnesota Statutes, Chapter 72A;*

*(n) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.*

**Sec. 8. [APPROPRIATION.]** *The sum of \$. . . . . is appropriated from the general fund to the commissioner of insurance for the purposes of this act.*

**Sec. 9. [EFFECTIVE DATE.]** *This act is effective July 1, 1980."*

Amend the title as follows:

Page 1, line 4, after the semicolon insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2291: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and authorizing land acquisition in relation thereto.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 14 to 33

Page 3, delete lines 1 to 33

Page 4, delete line 3 and insert "The"

Page 5, delete lines 14 to 17

Page 6, delete lines 12 to 33

Page 7, delete lines 1 to 23

Page 10, delete lines 24 to 30 and insert:

"[85.012] [Subd. 29.] Subd. 4. [ITASCA STATE PARK.] The following areas are added to Itasca State Park: The South Half of the Northeast Quarter of Section 34, Township 144 North, Range 36 West.

[85.012] [Subd. 30.] Subd. 5. [JAY COOKE STATE PARK.] The following areas are deleted from Jay Cooke State Park:

That part of the Southeast Quarter of Section 3 lying northwesterly of the northwesterly right-of-way line of the Burlington Northern, Inc. Railway; all of Section 25; that part of the North-

east Quarter of the Southeast Quarter and the East Half of the Northeast Quarter of Section 26 lying easterly of the Burlington Northern, Inc. Railway; that part of the Southeast Quarter of the Southeast Quarter of Section 23 lying southeasterly of Minnesota Highway 23 and northeasterly of the Burlington Northern, Inc. Railway; that part of Section 24 lying southeasterly of Minnesota Highway 23; that part of the Northeast Quarter, the Southwest Quarter and the Southeast Quarter of Section 13 lying southeasterly of Minnesota Highway 23; all being in Township 48 North, Range 16 West.

All of Sections 19 and 30; that part of the South Half of the South Half of Section 7 lying southeasterly of Minnesota Highway 23; that part of Section 18 lying southeasterly of Minnesota Highway 23; all in Township 48 North, Range 15 West."

Pages 11 to 13, delete subdivision 7 and insert:

"[85.012] [Subd. 42.] Subd. 7. [MILLE LACS KATHIO STATE PARK.] (a) The following areas are added to Mille Lacs Kathio State Park:

The westerly 200 feet of Government Lot 3 in Section 2 lying southerly of U.S. Highway No. 169; all in Township 42 North, Range 27 West.

(b) The following areas are deleted from Mille Lacs Kathio State Park:

That part of Government Lots 1 and 2 and the Southeast Quarter of the Southeast Quarter in Section 12 lying northerly of the northerly right-of-way line of U.S. Highway No. 169.

That part of Government Lot 4 in Section 12 lying west of northerly extension of the west line of Government Lot 3 of said Section 12.

That part of the Southeast Quarter of the Northeast Quarter and Government Lot 1 in Section 11 lying northerly of the following described lines:

Commencing at the iron monument at the east quarter corner of said Section 11; thence North 0 degrees 44 minutes 43 seconds East, assumed bearing of 1246.00 feet along the east line of said Section 11 to point "A"; thence South 0 degrees 44 minutes 43 seconds West, 600.00 feet along the east line of said Section 11; thence West, 1495.01 feet; thence North 00 degrees 44 minutes 43 seconds East, 799.00 feet to the point of beginning of the line to be described; thence East, 793.34 feet to the westerly line of a 66 foot wide road easement; thence South 6 degrees 26 minutes 55 seconds East, 28.87 feet along the westerly line of said road easement; thence southerly 138.27 feet along a tangential curve concave to the west having a radius of 179.04 feet and a central angle of 44 degrees 14 minutes 52 seconds continuing along the westerly line of said road easement; thence South 52 degrees 12 minutes 03 seconds East, 66 feet radially to said road easement to the east line of said road easement; thence East, 680.12 feet to point "A" on the east line of said Section 11 and there terminating.

That part of Government Lots 1, 2, 3 and 4 and the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter in Section 3 lying northerly of the northerly right-of-way of U.S. Highway No. 169.

That part of Government Lot 1 in Section 4 lying northerly of the northerly right-of-way line of U.S. Highway No. 169 and easterly of the following described line:

Commencing at the intersection of the east line of said Government Lot 1 and the southerly right-of-way line of County State Aid Highway No. 35, formerly U.S. Highway No. 169, which point is 72.6 feet south of the meander corner on said east line; thence in a northwesterly direction along said southerly right-of-way line at an angle measured from said east line of 75 degrees 10 minutes a distance of 267.0 feet to point "A"; thence deflect 90 degrees 05 minutes to the left in a southwesterly direction to intersect the northerly right-of-way of U.S. Highway No. 169 a distance of 144.15 feet, more or less; thence northwesterly along the said right-of-way 98.5 feet to the point of beginning; thence northeasterly a distance of 128.75 feet, more or less, to intersect said southerly right-of-way line of County State Aid Highway No. 35 a distance of 98.5 feet northwesterly of point "A"; thence southeasterly a distance of 31.0 feet along said southerly right-of-way line towards point "A"; thence northeasterly at right angles to the shore line of Mille Lacs Lake and there terminating.

All in Township 42 North, Range 27 West.

All of Government Lots 1 and 2 in Section 33, Township 43 North, Range 27 West."

Page 13, after line 7, insert:

"[85.012] [Subd. 49a.] Subd. 8. [ST. CROIX WILD RIVER STATE PARK.] The following areas are added to St. Croix Wild River State Park:

All of the Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter in Section 36, Township 36 North, Range 20 West.

That part of the Northwest Quarter of the Southeast Quarter in Section 36, Township 36 North, Range 20 West, lying southerly of the following described line: Beginning at a point on the north line of the said Northwest Quarter of the Southeast Quarter, 176 feet West of the northeast corner of the said Northwest Quarter of the Southeast Quarter; thence southwesterly in a straight line to a point on the west line of said Northwest Quarter of the Southeast Quarter, 564 feet North of the southwest corner of the said Northwest Quarter of the Southeast Quarter and there terminating.

That part of the Southwest Quarter of the Southwest Quarter in Section 36, Township 36 North, Range 20 West, lying southerly of the following described lines: Beginning at a point of the east line of the Southwest Quarter of the Southwest Quarter, a distance of 86 feet South of the northeast corner thereof; thence

South 59 degrees 34 minutes West, 370 feet; then South 76 degrees 28 minutes West, 555 feet; thence South 59 degrees 45 minutes West, 540 feet to a point on the west line of said Southwest Quarter of the Southwest Quarter, a distance of 587 feet north of the southwest corner thereof and there terminating. The Northwest Quarter of the Northwest Quarter in Section 3, Township 35 North, Range 20 West."

Page 13, after line 19 insert:

"Any land which now is tax-forfeited land and is located within the adjusted boundaries of Scenic State Park is hereby withdrawn from sale and is transferred from the custody, control, and supervision of the county board of the county to the commissioner of natural resources, free from any trust in favor of the interested taxing districts. The transfer of such tax-forfeited land is effective only after an amount equal to the fair market value of the land is paid by the commissioner to the county. Any money appropriated for state park land acquisition may be expended for this payment related to tax-forfeited land. The county auditor shall apportion this money in the manner provided in Minnesota Statutes, Section 282.08 for the apportionment of proceeds from the sale of tax-forfeited lands. The commissioner shall execute a certificate of acceptance of the lands on behalf of the state and shall transmit the same to the county auditor of the county for record as provided by law in the case of tax-forfeited land transferred to the commissioner by resolution of the county board for conservation purposes."

Page 13, delete lines 29 to 33

Page 14, delete lines 1 to 17

Renumber the subdivisions in sequence

Page 15, after line 4, insert:

"Sec. 2. The commissioner of natural resources may convey to the county of Kandiyohi in a form of conveyance to be approved by the attorney general the following described property within the statutory boundaries of Sibley State Park:

That part of Subdivision Lots 1, 2, 15, and 16 of Subdivision of Government Lots 2, 3, and 4 of Section 4, Township 121 North, Range 35 West, described as follows:

Commencing at the northwest corner of said Government Lot 4; thence on an assumed bearing of South, 90.66 feet along the west of said Government Lot 4 to the point of beginning; thence East, 475.00 feet; thence South, 960.00 feet; thence West 365 feet, more or less, to the center line of C.S.A.H. 5; thence northwesterly along said centerline of C.S.A.H. 5 to the west line of said Government Lot 4; thence North along said west line of Government Lot 4 to the point of beginning; containing 10 acres, more or less.

The conveyance shall be made in exchange for the conveyance to the state by Kandiyohi county of the following described property within the statutory boundaries of Sibley State Park:

Lot 5 of Government Lots 1 and 6 and the Northwest Quarter of the Northeast Quarter of Section 3, Township 121 North, Range 35 West, containing 10 acres, more or less.

**Sec. 3. [WHITEWATER STATE PARK; EXCLUSION OF LANDS.]** Subdivision 1. Upon compliance with the requirements set forth in this section all privately owned lands within the boundaries of Whitewater State Park in Winona County are excluded from the park with the exception of the following described lands:

(1) The Southwest quarter of the Southwest quarter of the Southwest quarter of Section 16;

(2) The South half of the North half of the Northeast quarter of Section 19;

(3) The South half of the Northwest quarter of the Northwest quarter of Section 20;

(4) The West half of the Northwest quarter of the Northwest quarter of Section 21; and

(5) The West half of the Southwest quarter of the Southeast quarter of Section 29;

All in Township 107 North of Range 10 West of the 5th P.M. in the county of Winona.

Subd. 2. As a condition for the removal of any land from the statutory boundaries of the Whitewater State Park as defined in subdivision 1, the owner of the land must first grant a scenic easement, as defined by Minnesota Statutes, Section 104.37, Subdivision 1, on the property to the commissioner of natural resources, in a form prescribed by the commissioner. The commissioner shall prepare an easement agreement no later than 90 days following the written request of the landowner without charge to the landowner. No easement shall interfere with a landowner's right to maintain and modify existing structures or construct appurtenant structures, nor shall it prevent the landowner from continuing current agricultural use of the land, including the harvesting of timber for lumber or firewood as directed in a timber management plan prepared by a professional forester, nor shall it pertain to any tract or tracts which are more than 30 feet back from the top of the bluffs and which cannot be seen from any point on the current route of trunk highway 74 where the highway currently passes through the park. The commissioner shall have the authority to grant variances from any agreement made pursuant to this section.

Subd. 3. If any owner or owners of land excluded by subdivision 1 shall subsequently offer the land or any portion thereof for sale, the commissioner of natural resources may offer to purchase the land. If the owner sells the property to the commissioner, the park boundary shall be changed to include the land thus purchased.

Subd. 4. The commissioner of natural resources may acquire by negotiation, for a purchase price to be agreed upon, trail ease-

ments over the land excluded from Whitewater State Park pursuant to this section.

Sec. 4. The commissioner of natural resources, in the name of the state, may quitclaim and convey the following described state lands included in Traverse des Sioux state park to the city of St. Peter on the condition that the city agrees to operate and maintain the same as a public park. The lands shall be conveyed in such form as the attorney general shall prescribe and the conveyance shall contain a provision that the lands shall revert to the state in the event the city fails to maintain and operate the same as a public park:

All those parts and portion of Government Lot 6 in Section 10 and of Government Lot 4 in Section 15 lying westerly of the Minnesota River as the same now exists, all in Township 110 North, Range 26 West.

All those parts and portion of Government Lot 5 in Section 10 and the Northwest Quarter of the Northeast Quarter in Section 15, lying westerly of the Minnesota River as the same now exists, all in Township 110 North, Range 26 West.

All that part of the south 40.80 acres of Government Lot 7, Section 10, Township 110 North, Range 26 West, lying easterly of the easterly right-of-way line of U.S. 169. Said south 40.80 acres being platted into Blocks 1 through 17, inclusive and Block A of McLeod's addition to Traverse.

All of Government Lot 9 and Government Lot 8, except the North 20 acres of Government Lot 8, Section 10, Township 110 North, Range 26.

All of Government Lots 10 and 11, the Southwest Quarter of the Northwest Quarter, the north 20 acres of Government Lot 7, and the North 20 acres of Government Lot 8, all in Section 10, Township 110 North, Range 26 West.

All of Lots 4, 5, 6 and 7 in Block 100 of the Town of Traverse des Sioux, South of Sibley Street, and that part of Lots 8, 9, 10 and 11 in Block 100 lying westerly of the west right-of-way line of Trunk Highway No. 169.

All that part of Lots 1 through 6, inclusive of Block 106, Fractional 107, and Lots 6 and 7 of Block 108 of Traverse des Sioux, south of Sibley Street, lying easterly of the easterly right-of-way of U.S. 169.

Also all that part of the following described land lying southerly of the northerly line of McCann Street:

Beginning at the southeasterly corner of Lot Six (6) of Block 116 on the north line of McCann Street in the town of Traverse des Sioux south of Sibley Street; thence southwesterly to a point where the west line of First or Main Street intersects the south line of McCann Street; thence westerly along said south line of McCann Street to the east line of Third Street; thence at right angles southerly along said east line of Third Street five hundred

and ten (510) feet; thence at right angles easterly one hundred and fifty (150) feet to the north line of Rice Street; thence at right angles easterly along said north line of Rice Street five hundred and ten (510) feet; thence at right angles southerly to the east line of Section Nine (9), Township 110 North, Range 26 West; thence North along said section line to a point where the north line of McCann Street extended intersects the said Section line; thence westerly along the north line of McCann Street extended to the point of beginning; EXCEPTING the right-of-way of U.S. 169. Meaning hereby to convey part of the town plat of Traverse des Sioux vacated by the order of the District Court of said county on the 22nd day of May A.D. 1877.

Sec. 5. After the conveyance of lands described in section 4, the authority of the department of natural resources and its division of parks and recreation, or any successor thereto, to administer and control the following described historic site at Traverse des Sioux is hereby withdrawn, and is hereby conferred upon the Minnesota Historical Society. The society shall exercise the general administration and control of such sites, preserve its historic features, conduct archaeological investigations, establish necessary interpretive centers, and perform such additional duties and services at the site as may be deemed necessary and beneficial:

All of Blocks Numbered 11, 12, 13, 18, 19, 20, 25, 26, 27, all being in Traverse des Sioux, North of Sibley Street, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Nicollet County, Minnesota.

EXCEPTING THEREFROM: Part of Block 27, Traverse des Sioux, North of Sibley Street, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Nicollet County, Minnesota, described as follows:

Commencing at the southeast corner of Block No. 27 in Traverse des Sioux, North of Sibley Street; thence westerly 100 feet parallel with the southerly boundary line of said Block 27; thence northerly parallel with the easterly boundary line of said Block 27 a distance of 200 feet; thence easterly parallel with the northerly boundary line of said Block 27, a distance of 100 feet; thence southerly along the easterly boundary line of said Block 27, a distance of 200 feet to the place of beginning, all according to the map or plat thereof on file and of record in the office of the Register of Deeds within and for Nicollet County, Minnesota. Said premises lying immediately north of the land owned by one Melvin Changler. on October 13, 1953.

All that part of Government Lot 8, Section 4, Township 110 North, Range 26 West, lying westerly of the Minnesota River as it now exists and easterly of the easterly right-of-way of U.S. Highway 169. Blocks 29, 30, 31, 32, 36, 37, 38, 39, 45, and 46, together with all vacated streets and alleys contiguous to or apart thereof as shown and vacated by those certain Orders and Decrees of the District Court of said Nicollet County dated October 20, 1914, October 11, 1927, and June 23, 1969, and recorded in the office of the Register of Deeds in and for said Nicollet County on January

4, 1915, in Book "34" of Deeds, on page 576, October 18, 1927, in Book "45" of Deeds, pages 558-559, and June 24, 1969, in Book "123" of Deeds, pages 199-200, respectively, all in Traverse des Sioux, North of Sibley Street, according to the plat thereof, on file in the office of the Register of Deeds in and for said Nicollet County,

**EXCEPTING THEREFROM:** The right-of-way of U.S. Highway 169. Also, that part of the following described lands lying easterly of U.S. 169:

Commencing on the west bank of the Minnesota River, at a point where an easterly extension of the south line of Ash Street in the town of Traverse des Sioux would intersect said river; thence running westerly along said south line of Ash Street to the east line of Third Street; thence at right angles southerly along said east line of Third Street to the north line of Thomson Street; thence at right angles easterly along said north line of Thomson Street, 940 feet; thence southerly to and along the east line of Blocks 115 and 116 to an existing east-west fence located in Lot 8, Block 116; thence southerly along the east line of Block 116 to the southeasterly corner of Lot 6 in said Block 116 being on the north line of McCann Street; thence easterly along the northerly line of McCann Street extended to the east line of Section 9; thence north along said section line to the Minnesota River; thence along the west bank of said river to the place of beginning; meaning hereby to convey that part of the town plat of Traverse des Sioux vacated by the order of the District Court of said county on the 22nd day of May A.D., 1877. Excepting therefrom the existing U.S. Highway 169 right-of-way, in fee, to the State of Minnesota. Also all of Block 115 and that part of Block 112 lying east of the existing east right-of-way line of Trunk Highway 169, that part of Block 116 lying north of an existing east-west fence located in Lots 2 and 8 of said block, that part of Block 111 lying east of existing east right-of-way of Trunk Highway 169 and north of an existing east-west fence located in Lot 12 of said block. All in the town of Traverse des Sioux, according to the plat thereof.

Also, all of Lots 3, 4, 5, 6 and 7 in Block 116, and that part of Lot 2 and 8 in Block 116 lying southerly of the existing east-west fence. All of Lots 8, 9, 10, 11 in Block 111, and that part of Lot 12 in Block 111 lying southerly of the existing east-west fence. All the aforesaid Lots and Blocks in the town of Traverse des Sioux according to the plat thereof on file in the Office of the Register of Deeds in and for said County of Nicollet.

Sec. 6. After the conveyance of lands described in section 4, and in the manner provided in Minnesota Statutes 1978, Section 15.16, and other applicable law, the commissioners of natural resources shall transfer custodial control of lands in Traverse des Sioux state park, other than those described in sections 4 and 5 of this act, to the Minnesota department of transportation.

Sec. 7. Upon completion of the conveyance and transfers authorized by this act, Minnesota Statutes 1978, Section 85.012, Subdivision 56 is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "acquisition" insert "and sales"

Page 1, line 5, after "thereto" insert "; discontinuing Traverse des Sioux state park; repealing Minnesota Statutes 1978, Section 85.012, Subdivision 56"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2225: A bill for an act relating to taxation; providing for the assessment of electric transmission and distribution lines; defining "parcel" for purposes of the transmission line property tax credit; amending Minnesota Statutes 1978, Sections 273.36; 273.38; Minnesota Statutes, 1979 Supplement, Section 273.42, Subdivision 2; and Laws 1979, Chapter 303, Article II, Section 39; repealing Minnesota Statutes 1978, Section 273.37; and Minnesota Statutes, 1979 Supplement, Section 273.42, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 273.36, is amended to read:

**273.36 [ELECTRIC LIGHT AND POWER COMPANIES.]** Personal property of electric light and power companies having a fixed situs in any city in this state shall be listed and assessed where situated, without regard to where the principal or other place of business of the company is located. *Transmission lines having a voltage of 69 kv and above, all attachments and appurtenances thereto, having a fixed situs in this state shall be listed and assessed where situated, without regard to where the principal or other place of business of the company is located.*

Sec. 2. Minnesota Statutes 1978, Section 273.37, Subdivision 2, is amended to read:

Subd. 2. All *Transmission lines of less than 69 kv* and distribution lines, and equipment attached thereto, having a fixed situs outside the corporate limits of cities except distribution lines taxed as provided in sections 273.40 and 273.41, shall be listed with and assessed by the commissioner of revenue in the county where situated. The commissioner shall assess such property at the percentage of market value fixed by law; and, on or before the fifteenth day of November, shall certify to the auditor of each county in which such property is located the amount of the assessment made against each company and person owning such property.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 273.42, 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 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 percent to the general revenue fund of the county, 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, after deducting the amount required for the property tax credit as provided in subdivision 2. 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 a payment to a town exceeds ten percent of the town's levy for the preceding year, the excess amount shall be paid to the county.~~

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 ~~county~~ *city or 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~~ pursuant to ~~this~~ section 273.36. 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 on 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 affected parcel is included on the property tax statement of the landowner as part of a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is 40 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.*

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 275.51, Subdivision 3d, is amended to read:

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clauses (a), (c), (d), (e), and (f), except for levies made to pay tort judgments and make settlements of tort claims or to pay the salaries and benefits of municipal and probate court judges, plus

(4) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clause (g) for the administrative costs of public assistance programs or county welfare systems, plus

(5) one-half of the amount of the special levy authorized under section 275.50, subdivision 5, clause (n) shall be added to the permanent levy limit base of the governmental subdivision in the year following the year in which it has been discontinued as a special levy pursuant to the provisions of section 275.50, subdivision 5, clause (n).

(b) The sum computed in clause (a) shall be increased annually in the manner provided in section 275.52 to derive the levy limit base for successive years.

(c) For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. To determine the levy limit base for taxes levied in 1979 payable 1980 and subsequent years, (a) the levy limit base used for taxes levied in 1979 payable in 1980 shall be increased by the excess of the amount levied in 1979 for refuse collection and street maintenance over the amount levied in 1978 payable 1979 for those purposes; and (b) in the case of a city of the first class located within the metropolitan area defined in section 473.121, subdivision 2, for the purpose of calculating the levy limit base to be used for taxes

levied in 1979, payable 1980, the levy limit base used for taxes levied in 1978, payable 1979, shall be reduced by an amount sufficient to reduce the levy limitation for taxes levied in 1978 payable 1979 by 15 percent. *To determine the levy limit base used for taxes levied in 1981 payable in 1982 and subsequent years, the levy limit base used for taxes levied in 1981 payable in 1982 shall be increased by the revenue derived by the governmental subdivision for taxes levied in 1980 payable in 1981 from property assessed under Minnesota Statutes 1978, Section 273.37.* Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (c), (d), (e) or (f) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.

(d) The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and taconite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivision 1; 298.282 and state reimbursements for wetlands property tax exemptions provided in section 272.02, subdivision 1, clause (16); and the payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction, to be paid in the calendar year in which property taxes are payable. As provided in section 298.28, subdivision 1, for taxes payable in 1978 and 1979, two cents per taxable ton, and for taxes payable in 1980 and thereafter, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4) (c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 5. Laws 1979, Chapter 303, Article II, Section 39, is amended to read:

Sec. 39. [EFFECTIVE DATE.] Sections 5, 8, 18, 19 and 24, except as otherwise provided and 38, subdivision 2 1, are effective for taxes levied in 1980 payable in 1981 and thereafter.

Sections 6, 16 and 17 are effective for taxes levied in 1979 payable 1980 and thereafter.

Sections 20, 21 and 38, subdivision 2, are effective for 1981 payable 1982 and thereafter.

Sections 28 to 34 are effective for claims based on property taxes payable in 1980 and rent constituting property taxes in 1979 and subsequent years, except that section 28, subdivision 3, clause (f) is effective for property tax refund claims based on rent paid in 1976 and property taxes payable in 1977 and subsequent years.

Sec. 6. [EFFECTIVE DATE.] *Sections 1 to 3 are effective for taxes levied in 1981 and thereafter, and payable in 1982 and thereafter."*

Amend the title as follows:

Page 1, line 4, delete "defining "parcel" for purposes" and insert "revising the limit on the amount"

Page 1, line 6, delete "273.38" and insert "273.37, Subdivision 2"

Page 1, line 7, delete "Section" and insert "Sections" and after "273.42" delete the comma

Page 1, line 8, delete "Subdivision 2" and insert "; and 275.51, Subdivision 3d"

Page 1, line 9, delete "; repealing Minnesota Statutes 1978," and insert a period

Page 1, delete lines 10 and 11

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1899, 753, 1723, 1349 and 942 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1899	1654	1349	2307		
753	1909	942	2354		
1723	1858				

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 2152 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2152	2119				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1987, 1884, 1727 and 2191 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1987	2192				
1884	1788				
1727	2348				
2191	1721				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1987 be amended as follows:

Page 2, line 21, delete "*other than*" and insert "*not*"

Page 2, line 22, before "*effective*" insert "*time of the*" and after "*act*" delete the comma

Page 4, line 3, delete "*other than*" and insert "*not*"

Page 4, line 4, before "*effective*" insert "*time of the*" and after "*act*" delete the comma

And when so amended H. F. No. 1987 will be identical to S. F. No. 2192, and further recommends that H. F. No. 1987 be given its second reading and substituted for S. F. No. 2192, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1884 be amended as follows:

Page 3, line 25, after "*students*" delete the comma

Page 3, line 27, after "*programs*" delete the comma

Amend the title as follows:

Page 1, line 2, after "*modifying*" insert "*certain*"

Page 1, lines 6 and 7, delete "*modifying a visitation and reporting duty of the state university board;*"

And when so amended H. F. No. 1884 will be identical to S. F. No. 1788, and further recommends that H. F. No. 1884 be given its second reading and substituted for S. F. No. 1788, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1727 be amended as follows:

Page 4, delete line 33

Page 5, delete lines 1 to 17

Renumber the sections accordingly

Amend the title as follows:

Page 1, lines 11 and 12, delete "and Chapter 259, by adding a section;"

And when so amended H. F. No. 1727 will be identical to S. F. No. 2348, and further recommends that H. F. No. 1727 be given its second reading and substituted for S. F. No. 2348, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2191 be amended as follows:

Page 27, line 32, delete "who" and insert "for which he"

Page 27, line 33, delete "for" and insert "to"

And when so amended H. F. No. 2191 will be identical to S. F. No. 1721, and further recommends that H. F. No. 2191 be given its second reading and substituted for S. F. No. 1721, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1534 and 2369 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1534	1549				
2369	2317				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1534 be amended as follows:

Page 2, delete lines 16 to 33

Page 3, delete lines 1 to 6

Page 3, line 7, delete "3" and insert "2"

Delete page 4, line 22 to page 8, line 4

Amend the title as follows:

Page 1, lines 4 and 5, delete "providing that the county recorder be notified of deferred assessments;"

Page 1, line 6, delete "273.111,"

Page 1, line 7, delete "Subdivision 11;" and "375.14;"

Page 1, delete line 8

Page 1, line 9, delete "subdivision;"

And when so amended H. F. No. 1534 will be identical to S. F.

No. 1549, and further recommends that H. F. No. 1534 be given its second reading and substituted for S. F. No. 1549, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2369 be amended as follows:

Page 89, line 8, restore stricken language

Page 123, delete lines 9 to 33

Page 124, delete lines 1 to 8 and insert

“Sec. 181. Minnesota Statutes, 1979 Supplement, Section 609.341, Subdivision 13, is amended to read:

Subd. 13. “Complainant” means a person ~~alleging~~ *alleged* to have been subject to criminal sexual conduct, but need not be the person who signs the complaint.”

Page 150, delete lines 12 to 16 and insert

“Sec. 181. *Explanation.* The use of the word “alleging” is confusing and awkward. The amendment clarifies the meaning and conforms with the clear legislative intent.”

Page 153, line 9, delete “197” and insert a blank

Amend the title as follows:

Page 2, line 32, delete “626.556, Subdivision 2” and insert “609.341, Subdivision 13”

And when so amended H. F. No. 2369 will be identical to S. F. No. 2317, and further recommends that H. F. No. 2369 be given its second reading and substituted for S. F. No. 2317, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 2394, 2395, 2400, 1693, 1944, 1607, 2149, 1686, 1680, 1752, 1448, 2284, 1262, 2353, 1694, 2291 and 2225 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 1899, 753, 1723, 1349, 942, 2152, 1987, 2369, 1534, 1884, 1727 and 2191 were read the second time.

H. F. Nos. 1302, 1145, 1895 and 475 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**MOTIONS AND RESOLUTIONS**

Mr. Stumpf moved that the names of Messrs. Hanson, Coleman and Davies be added as co-authors to S. F. No. 2201. The motion prevailed.

Mr. Merriam moved that the name of Mr. Stumpf be added as co-author to S. F. No. 2362. The motion prevailed.

Mr. Perpich moved that H. F. No. 1816 be withdrawn from the Committee on Health, Welfare and Corrections and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1944 now in the Subcommittee on Bill Scheduling. The motion prevailed.

Mr. Tennessen moved that H. F. No. 1995 be withdrawn from the Committee on Commerce and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1668. The motion prevailed.

Mr. Tennessen moved that H. F. No. 2302 be withdrawn from the Committee on Commerce and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 2284 now in the Subcommittee on Bill Scheduling. The motion prevailed.

Mr. Schaaf moved that S. F. No. 1639 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Finance. The motion prevailed.

S. F. No. 1584 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S. F. NO. 1584**

A bill for an act relating to transportation; providing for specific information signing for resorts and recreational camping areas along certain highways.

March 19, 1980

The Honorable Edward J. Gearty  
President of the Senate

The Honorable Fred C. Norton  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1584, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gerald L. Willet, Douglas J. Johnson, Dave Rued

House Conferees: (Signed) John A. Ainley, Carl W. Kroening, David P. Battaglia

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1584 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1584 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearry	Laufenburger	Peterson	Stern
Ashbach	Gunderson	Lessard	Pillsbury	Stokowski
Bang	Hanson	Luther	Purfeerst	Strand
Barrette	Hughes	Menning	Renneke	Stumpf
Benedict	Humphrey	Merriam	Rued	Tennessee
Bernhagen	Jensen	Moe	Schaaf	Ueland, A.
Brataas	Johnson	Nelson	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nichols	Setzepfandt	Vega
Coleman	Keefe, S.	Ogdahl	Sieloff	Wegener
Davies	Kirchner	Olhoff	Sikorski	Willet
Dieterich	Kleinbaum	Olson	Sillers	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Lessard introduced—

Senate Resolution No. 52: A Senate resolution relating to extending congratulations to William "Bill" Baker for his accomplishments in participating in the XIII Olympic Winter Games as a member of the United States Hockey Team.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Calendar. The motion prevailed.

#### CALENDAR

S. F. No. 1573: A bill for an act relating to employment; prohibiting cities from establishing residency requirements as a condition of employment.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Peterson	Stokowaki
Ashbach	Gunderson	Lessard	Pillsbury	Strand
Bang	Hanson	Luther	Purfeerst	Stumpf
Barrette	Hughes	Menning	Rued	Tennessee
Benedict	Humphrey	Merriam	Schaaf	Ueland, A.
Bernhagen	Jensen	Moe	Schmitz	Ulland, J.
Brataas	Johnson	Nelson	Sieloff	Vega
Chmielewski	Keefe, J.	Nichols	Sikorski	Wegener
Coleman	Keefe, S.	Olhoft	Sillers	Willet
Davies	Kirchner	Olson	Solon	
Dieterich	Kleinbaum	Omann	Spear	
Dunn	Knaak	Penny	Staples	
Frederick	Knoll	Perpich	Stern	

Messrs. Engler, Knutson, Ogdahl and Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1169: A bill for an act relating to census taking; providing for the taking of special censuses by the United States bureau of the census rather than the secretary of state; providing for the approval of school district population estimates by the state demographer; providing for annual population estimates of governmental subdivisions by the state demographer and their use in the computation of tax levy limits and local government aid; abolishing the authority of the municipal board to determine the population of municipalities and towns; amending Minnesota Statutes 1978, Sections 4.12, Subdivision 7; 275.14; 275.45; 275.53; 414.01, Subdivision 14; 477A.01, Subdivision 4; and Chapter 477A, by adding a section; repealing Minnesota Statutes 1978, Sections 365.61; and 414.033, Subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Penny	Solon
Ashbach	Gearty	Knutson	Perpich	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Renneke	Strand
Brataas	Jensen	Merriam	Rued	Stumpf
Chmielewski	Johnson	Moe	Schaaf	Tennessee
Coleman	Keefe, J.	Nelson	Schmitz	Ueland, A.
Davies	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Olhoft	Sieloff	Vega
Dunn	Kleinbaum	Olson	Sikorski	Wegener
Engler	Knaak	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1708: A bill for an act relating to workers' compensation; changing special compensation fund assessment proce-

dures; providing for reimbursement to certain insurers; amending Minnesota Statutes, 1979 Supplement, Sections 176.131, Subdivision 10; and 176.191, Subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Peterson	Stern
Ashbach	Gunderson	Lessard	Pillsbury	Stokowski
Bang	Hanson	Luther	Purfeerst	Strand
Barrette	Hughes	Menning	Renneke	Stumpf
Benedict	Humphrey	Merriam	Rued	Tennessee
Bernhagen	Jensen	Moe	Schaaf	Ueland, A.
Brataas	Johnson	Nelson	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nichols	Setzepfandt	Vega
Coleman	Keefe, S.	Ogdahl	Sieloff	Wegener
Davies	Kirchner	Olhoft	Sikorski	Willet
Dieterich	Kleinbaum	Olson	Sillers	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

S. F. No. 2122: A bill for an act relating to elections; authorizing time off from work for election judges; amending Minnesota Statutes 1978, Section 204A.17, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Solon
Ashbach	Gearty	Laufenburger	Perpich	Spear
Bang	Gunderson	Lessard	Peterson	Staples
Barrette	Hanson	Luther	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Humphrey	Merriam	Renneke	Strand
Brataas	Jensen	Moe	Rued	Stumpf
Chmielewski	Johnson	Nelson	Schaaf	Tennessee
Coleman	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Keefe, S.	Ogdahl	Setzepfandt	Vega
Dieterich	Kirchner	Olhoft	Sieloff	Wegener
Dunn	Kleinbaum	Olson	Sikorski	Willet
Engler	Knaak	Omann	Sillers	

Mr. Ulland, J. voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 2119: A bill for an act relating to the military; extending indefinitely the duration of the authority of the adjutant general to acquire lands for military training from funds

available in the military land fund; repealing certain obsolete provisions relating to the military land fund; amending Minnesota Statutes 1978, Sections 190.25; 190.26, Subdivision 1; 190.29; 190.30, Subdivisions 1, 5 and 6; and repealing Minnesota Statutes 1978, Sections 190.26, Subdivisions 2 and 3; and 190.27.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Peterson	Stern
Ashbach	Gunderson	Lessard	Pillsbury	Stokowski
Bang	Hanson	Luther	Purfeerst	Strand
Barrette	Hughes	Menning	Renneke	Stumpf
Benedict	Humphrey	Merriam	Rued	Tennessee
Bernhagen	Jensen	Moe	Schaaf	Ueland, A.
Brataas	Johnson	Nelson	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nichols	Setzepfandt	Vega
Coleman	Keefe, S.	Ogdahl	Sieloff	Wegener
Davies	Kirchner	Olhoft	Sikorski	Willet
Dieterich	Kleinbaum	Olson	Sillers	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

H. F. No. 1732: A bill for an act relating to motor vehicle carriers; defining courier services carrier; providing the procedures for granting permits to courier services carriers; excluding courier service carriers from the term regular route common carrier; amending Minnesota Statutes 1978, Sections 221.011, Subdivision 9, and by adding a subdivision; and 221.121, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Solon
Ashbach	Gearty	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Perpich	Staples
Barrette	Hanson	Lessard	Peterson	Stern
Benedict	Hughes	Luther	Pillsbury	Stokowski
Bernhagen	Humphrey	Menning	Purfeerst	Strand
Brataas	Jensen	Merriam	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Tennessee
Coleman	Keefe, J.	Nelson	Schaaf	Ueland, A.
Davies	Keefe, S.	Nichols	Schmitz	Ulland, J.
Dieterich	Kirchner	Ogdahl	Sieloff	Vega
Dunn	Kleinbaum	Olhoft	Sikorski	Wegener
Engler	Knaak	Olson	Sillers	Willet

Mr. Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1695: A bill for an act relating to highways; providing that a resolution of a county board revoking a county highway that would revert to a town is not effective until the highway meets county road standards; amending Minnesota Statutes 1978, Section 163.11, Subdivision 5a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Sillers
Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	Menning	Purfeerst	Stokowski
Brataas	Jensen	Merriam	Renneke	Strand
Chmielewski	Johnson	Moe	Rued	Stumpf
Coleman	Keefe, J.	Nelson	Schaaf	Ueland, A.
Davies	Keefe, S.	Nichols	Schmitz	Ulland, J.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Vega
Dunn	Kleinbaum	Olhoft	Sieloff	Wegener
Engler	Knaak	Olson	Sikorski	Willet

Mr. Tennesen voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1783: A bill for an act relating to elections; providing for hearings of contested legislative elections; amending Minnesota Statutes 1978, Sections 209.02, Subdivision 4a; 209.09; and 209.10, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	Menning	Purfeerst	Stokowski
Brataas	Jensen	Merriam	Renneke	Strand
Chmielewski	Johnson	Moe	Rued	Stumpf
Coleman	Keefe, J.	Nelson	Schaaf	Tennesen
Davies	Keefe, S.	Nichols	Schmitz	Ueland, A.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olhoft	Sieloff	Vega
Engler	Knaak	Olson	Sikorski	Wegener
Frederick	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

H. F. No. 2051: A bill for an act relating to elections; requiring certain employers to attempt to let employees make up time taken off for certain public meetings; amending Minnesota Statutes 1978, Section 210A.09, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Luther	Pillsbury	Staples
Bang	Hughes	Menning	Purfeerst	Stern
Barrette	Humphrey	Merriam	Renneke	Stokowski
Benedict	Johnson	Moe	Rued	Strand
Bernhagen	Keefe, J.	Nelson	Schaaf	Stumpf
Chmielewski	Keefe, S.	Nichols	Schmitz	Vega
Coleman	Kleinbaum	Olhoff	Setzepfandt	Wegener
Davies	Knaak	Olson	Sieloff	Willet
Dieterich	Knoll	Omann	Sikorski	
Engler	Knutson	Penny	Sillers	
Gearty	Laufenburger	Perpich	Solon	
Gunderson	Lessard	Peterson	Spear	

Those who voted in the negative were:

Ashbach	Dunn	Ogdahl	Tennessee	Ulland, J.
Brataas	Frederick			

So the bill passed and its title was agreed to.

S. F. No. 2111: A bill for an act relating to counties; providing for the responsibilities and appointments of deputy county treasurers; amending Minnesota Statutes 1978, Section 385.02, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	Menning	Purfeerst	Stokowski
Brataas	Jensen	Merriam	Renneke	Strand
Chmielewski	Johnson	Moe	Rued	Stumpf
Coleman	Keefe, J.	Nelson	Schaaf	Tennessee
Davies	Keefe, S.	Nichols	Schmitz	Ulland, A.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olhoff	Sieloff	Vega
Engler	Knaak	Olson	Sikorski	Wegener
Frederick	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 2168: A bill for an act relating to historic sites; designating additional historic sites; requiring notice to the Minnesota Historical Society when the state or a political subdivision acquires certain property; amending Minnesota Statutes 1978, Sections 138.56, by adding a subdivision; and 138.59.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Peterson	Stern
Ashbach	Gunderson	Lessard	Pillsbury	Stokowski
Bang	Hanson	Luther	Purfeerst	Strand
Barrette	Hughes	Menning	Renneke	Stumpf
Benedict	Humphrey	Merriam	Rued	Tennessee
Bernhagen	Jensen	Moe	Schaaf	Ueland, A.
Brataas	Johnson	Nelson	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nichols	Setzpfandt	Vega
Coleman	Keefe, S.	Ogdahl	Sieloff	Wegener
Davies	Kirchner	Olhoff	Sikorski	Willet
Dieterich	Kleinbaum	Olson	Sillers	
Dunn	Knaak	Omann	Solon	
Engler	Knoll	Penny	Spear	
Frederick	Knutson	Perpich	Staples	

So the bill passed and its title was agreed to.

S. F. No. 2017: A bill for an act relating to municipal industrial development; defining projects appropriate for development; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1c.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Peterson	Staples
Ashbach	Hanson	Lessard	Pillsbury	Stern
Bang	Hughes	Luther	Purfeerst	Stokowski
Barrette	Humphrey	Menning	Renneke	Strand
Benedict	Jensen	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Ueland, A.
Brataas	Keefe, J.	Nichols	Schmitz	Ulland, J.
Chmielewski	Keefe, S.	Ogdahl	Setzpfandt	Vega
Dieterich	Kirchner	Olhoff	Sieloff	Wegener
Dunn	Kleinbaum	Olson	Sikorski	Willet
Engler	Knaak	Omann	Sillers	
Frederick	Knoll	Penny	Solon	
Gearty	Knutson	Perpich	Spear	

Messrs. Davies, Merriam and Tennessee voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1838: A bill for an act relating to industrial development; extending the industrial development law to all towns;

requiring authorization for certain agricultural projects; amending Minnesota Statutes 1978, Sections 474.02, Subdivision 2; and 474.04.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Knutson	Penny	Spear
Ashbach	Hanson	Laufenburger	Peterson	Staples
Bang	Hughes	Lessard	Pillsbury	Stern
Barrette	Humphrey	Luther	Purfeerst	Stokowski
Benedict	Jensen	Menning	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schmitz	Ueland, A.
Chmielewski	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dunn	Kirchner	Ogdahl	Sieloff	Vega
Engler	Kleinbaum	Olhoft	Sikorski	Wegener
Frederick	Knaak	Olson	Sillers	Willet
Gearty	Knoll	Omann	Solon	

Those who voted in the negative were:

Davies	Merriam	Perpich	Schaaf	Tennessee
Dieterich				

So the bill passed and its title was agreed to.

S. F. No. 1993: A bill for an act relating to economic development; requiring that a majority of the members of the iron range resources and rehabilitation board represent legislative districts containing taconite tax relief areas; amending Minnesota Statutes 1978, Section 298.22, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Luther	Purfeerst	Stokowski
Bang	Hughes	Menning	Rued	Stumpf
Barrette	Humphrey	Merriam	Schaaf	Tennessee
Benedict	Johnson	Moe	Schmitz	Ueland, A.
Bernhagen	Keefe, S.	Nelson	Sieloff	Ulland, J.
Chmielewski	Kleinbaum	Nichols	Sikorski	Vega
Dieterich	Knoll	Olhoft	Solon	Wegener
Dunn	Knutson	Penny	Spear	Willet
Gearty	Laufenburger	Perpich	Staples	
Gunderson	Lessard	Peterson	Stern	

Those who voted in the negative were:

Ashbach	Frederick	Knaak	Omann	Setzepfandt
Brataas	Jensen	Ogdahl	Pillsbury	Sillers
Engler	Kirchner	Olson	Renneke	Strand

So the bill passed and its title was agreed to.

H. F. No. 1846: A bill for an act relating to highway traffic regulations; authorizing certain identification rights on motor vehicles operated by certificated volunteer ambulance drivers; amending Minnesota Statutes 1978, Section 169.58, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Penny	Solon
Ashbach	Gerty	Knutson	Perpich	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Renneke	Strand
Brataas	Jensen	Merriam	Rued	Stumpf
Chmielewski	Johnson	Moe	Schaaf	Tennessee
Coleman	Keefe, J.	Nelson	Schmitz	Ueland, A.
Davies	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Olhoft	Sieloff	Vega
Dunn	Kleinbaum	Olson	Sikorski	Wegener
Engler	Knaak	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1950: A bill for an act relating to towns in St. Louis County; providing a method for determining whether to open or maintain certain town roads.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Penny	Sillers
Ashbach	Frederick	Knutson	Perpich	Solon
Bang	Gerty	Laufenburger	Peterson	Spear
Barrette	Gunderson	Lessard	Pillsbury	Staples
Benedict	Hanson	Luther	Purfeerst	Stern
Bernhagen	Hughes	Menning	Renneke	Stokowski
Brataas	Humphrey	Moe	Rued	Stumpf
Chmielewski	Jensen	Nelson	Schaaf	Ueland, A.
Coleman	Keefe, J.	Nichols	Schmitz	Ulland, J.
Davies	Keefe, S.	Olhoft	Setzepfandt	Vega
Dieterich	Kirchner	Olson	Sieloff	Wegener
Dunn	Knaak	Omann	Sikorski	

Those who voted in the negative were:

Johnson	Kleinbaum	Merriam	Strand	Willet
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So the bill passed and its title was agreed to.

S. F. No. 1877: A bill for an act relating to labor; regulating migrant labor; requiring employers and recruiters to provide

statements of hire to migrant workers; setting requirements for statements of hire and for payments of wages to migrant workers; providing for private causes of action.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Laufenburger	Peterson	Stumpf
Barrette	Humphrey	Lessard	Schaaf	Tennessee
Benedict	Johnson	Luther	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Menning	Setzepfandt	Vega
Coleman	Keefe, S.	Merriam	Sikorski	Wegener
Davies	Kirchner	Moe	Solon	Willet
Dieterich	Kleinbaum	Nelson	Spear	
Gearty	Knaak	Nichols	Stern	
Gunderson	Knoll	Olson	Stokowski	
Hanson	Knutson	Penny	Strand	

Those who voted in the negative were:

Ashbach	Dunn	Ogdahl	Renneke	Staples
Bang	Engler	Omman	Rued	Ueland, A.
Bernhagen	Frederick	Pillsbury	Sieloff	
Brataas	Jensen	Purfeerst	Sillers	

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the General Orders Calendar. The motion prevailed.

**GENERAL ORDERS**

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 1805, 1861, 1021, 2092, 1235, 1655 and H. F. Nos. 2024, 1824, 1834, 1207 and 2028, which the committee recommends to pass.

H. F. No. 1090 which the committee recommends to pass, subject to the following motion:

Mr. Luther moved that the amendment made to H. F. No. 1090 by the Committee on Rules and Administration in the report adopted March 18, 1980, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 1453 which the committee reports progress, subject to the following motion:

Mr. Setzepfandt moved to amend H. F. No. 1453, as follows:

Page 2, line 9, after "districts" insert "or other governmental subdivisions"

The motion prevailed. So the amendment was adopted.

H. F. No. 1453 was then progressed.

S. F. No. 1962, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 7, line 24, delete "*certiorari by*" and insert "*a declaratory judgment action in*"

Page 7, line 26, delete everything after the period

Page 7, delete line 27

Page 7, line 28, delete everything before the period and insert "*Judicial review under this section shall be initiated within 30 days after the governmental unit makes the decision, and a bond may be required under section 562.02 unless at the time of hearing on the application for the bond the plaintiff has shown that the claim has sufficient possibility of success on the merits to sustain the burden required for the issuance of a temporary restraining order. Nothing in this section shall be construed to alter the requirements for a temporary restraining order or a preliminary injunction pursuant to the Minnesota Rules of Civil Procedure for District Courts*"

The motion prevailed. So the amendment was adopted.

S. F. No. 210, which the committee recommends to pass with the following amendment offered by Mr. Hughes:

Page 2, line 14, delete "*1980*" and insert "*1981*"

The motion prevailed. So the amendment was adopted.

S. F. No. 2044, which the committee recommends to pass with the following amendment offered by Mr. Wegener:

Page 17, line 11, delete "*308.39;*"

Amend the title as follows:

Page 1, line 18, delete "*308.39;*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1618, which the committee recommends to pass with the following amendments offered by Messrs. Sillers and Johnson:

Mr. Sillers moved to amend S. F. No. 1618 as follows:

Page 2, line 20, delete "*If the application is*"

Page 2, delete lines 21 to 23

Page 2, line 24, delete "*apply.*"

The motion prevailed. So the amendment was adopted.

Mr. Johnson moved to amend S. F. No. 1618 as follows:

Page 2, line 4, after "*facility*" insert "*in a county which borders another state which offers a property tax exemption for new business property*"

The motion prevailed. So the amendment was adopted.

H. F. No. 1871, which the committee recommends to pass with the following amendment offered by Mr. Strand:

Amend the amendment placed on H. F. No. 1871 by the Committee on Governmental Operations, adopted by the Senate March 17, 1980, as follows:

In the amendment to section 5, subdivision 2a:

Line 2, delete "a" and insert "one"

Lines 2 and 3, delete "*for each lake protection and rehabilitation project*" and insert "*for all commission activities*"

Line 4, delete "each" and insert "the"

Line 6, before the period, insert "*with an equal number of representatives from each state. The advisory committee shall be consulted prior to any activity conducted by the commission*"

The motion prevailed. So the amendment to the amendment was adopted.

On motion of Mr. Hanson, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Gunderson moved that the name of Mr. Willet be added as co-author to S. F. No. 2092. The motion prevailed.

Mr. Ueland, A. introduced—

Senate Resolution No. 53: A Senate resolution relating to extending congratulations to Mankato State University for winning the NCAA Division II National Ice Hockey Championship.

Referred to the Committee on Rules and Administration.

Mr. Bang introduced—

Senate Resolution No. 54: A Senate resolution relating to extending congratulations to the Edina-East Senior High School girls gymnastics team on winning the State Class AA girls gymnastics championship.

Referred to the Committee on Rules and Administration.

Mr. Kleinbaum moved that the name of Mr. Omann be added as co-author to S. F. No. 1655. The motion prevailed.

#### RECESS

Mr. Coleman moved that the Senate do now recess until 4:00 o'clock p.m. The motion prevailed.

The hour of 4:00 o'clock p.m. having arrived, the President called the Senate to order.

### CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate for the balance of the day's proceedings. The following Senators answered to their names:

Anderson	Frederick	Laufenburger	Perpich	Staples
Ashbach	Gearty	Lessard	Peterson	Stern
Bang	Gunderson	Luther	Pillsbury	Stokowski
Barrette	Hanson	McCutcheon	Purfeerst	Strand
Benedict	Hughes	Merriam	Renneke	Stumpf
Bernhagen	Humphrey	Moe	Rued	Tennessee
Chmielewski	Jensen	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nichols	Setzepfandt	Vega
Davies	Keefe, S.	Ogdahl	Sieloff	Wegener
Dieterich	Kirchner	Olhoff	Sikorski	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knutson	Penny	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

### REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1933, 2341, 2338, 1753, 1876, 1735, 2394, 2395, 2400 and H. F. Nos. 567, 1272, 1684, 1873, 1286, 1956 and 1742, makes the following report:

That the above Senate Files and House Files be placed on the General Order Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Keefe, S. moved that S. F. No. 550 and the Governor's veto message be taken from the table. The motion prevailed.

Mr. Keefe, S. moved that S. F. No. 550 be re-passed, the objections of the Governor to the contrary notwithstanding.

The question was taken on the adoption of the motion of Mr. Keefe, S. and the re-passage of S. F. No. 550, the objections of the Governor notwithstanding.

The roll was called, and there were yeas 45 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	McCutcheon	Perpich	Staples
Benedict	Humphrey	Menning	Peterson	Stern
Chmielewski	Johnson	Merriam	Purfeerst	Stokowski
Coleman	Keefe, S.	Moe	Schaaf	Strand
Davies	Kleinbaum	Nelson	Schmitz	Stumpf
Dieterich	Knoll	Nichols	Setzepfandt	Tennessee
Gearty	Laufenburger	Olhoff	Sikorski	Vega
Gunderson	Lessard	Olson	Solon	Wegener
Hanson	Luther	Penny	Spear	Willet

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Pillsbury	Ueland, A.
Bang	Engler	Knaak	Renneke	Ulland, J.
Barrette	Frederick	Knutson	Rued	
Bernhagen	Jensen	Ogdahl	Sieloff	
Brataas	Keefe, J.	Omann	Sillers	

The motion prevailed. So the bill was re-passed, the objections of the Governor to the contrary notwithstanding.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 1980: A bill for an act relating to waste management; establishing a waste management board and a legislative commission; providing for a state government resource recovery program; providing for solid waste planning assistance and demonstration programs; providing for the issuance of state waste management bonds; providing for the establishment of solid waste management districts; requiring hazardous waste management planning and development; establishing procedures for the review and approval of permits for waste facilities; providing that certain solid waste disposal sites are not exempt from real property taxes; authorizing debt; appropriating money; amending Minnesota Statutes 1978, Sections 116.06, Subdivisions 9, 10, 13, and by adding subdivisions; 116.07, Subdivisions 2, 4, 4a, and by adding subdivisions; 116.081, Subdivision 1; 116.101; 116.41; 272.02, Subdivision 1; 400.03, Subdivision 1; 400.04; 400.06; 400.07; 400.13; 400.16; 400.161; 473.121, by adding a subdivision; 473.149; 473.502; 473.516; 473.802; 473.803; 473.811; 473.813; 473.823, Subdivision 3, and by adding a subdivision; Chapter 400, by adding a section; and Chapter 473, by adding sections; repealing Minnesota Statutes 1978, Sections 116F.01; 116F.02; 116F.03; 116F.04; 116F.05; 400.03, Subdivisions 2, 3, 4, 5, 6, and 7; 473.121, Subdivisions 27, 28, 29, 31, 31a, 31b, and 31c; 473.823, Subdivisions 1, 2, and 4; and Laws 1978, Chapter 728, Section 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 27, delete the comma

Page 4, line 10, delete "10" and insert "11"

Page 4, line 26, delete "such" and insert "the"

Page 7, line 13, delete "nine" and insert "seven"

Page 7, delete lines 16 to 33 and insert:

*"Subd. 2. [PERMANENT MEMBERS.] The seven permanent members shall be appointed by the governor, with the advice and consent of the senate. The terms of the permanent members shall be for five years. The removal and filling of vacancies of the permanent members shall be as provided in section 15.0575. The permanent members shall elect a board chairman from one of their number."*

Page 8, line 3, delete "and for the purpose of preparing and"

Page 8, delete line 4

Page 8, line 5, delete "development plan under section 8"

Page 8, line 9, delete "section 4" and insert "section 7"

Page 8, line 10, after "IV," insert "section 2, subdivision 3, and"

Page 8, line 10, after the period, insert "By August 1, 1980, for the purpose of preparing and adopting the hazardous waste management and facility development plan, the governor shall appoint six members representing geographically diverse local governments. These members shall serve until August 31, 1981."

Page 8, line 12, delete "such" and insert "the"

Page 9, line 1, before the period, insert "for that property"

Page 9, line 4, delete "such" and insert "the"

Page 9, line 10, delete "such" and insert "those"

Page 10, line 13, delete "leased, controlled,"

Page 10, line 28, delete "act" and insert "enter into agreements"

Page 11, delete lines 25 and 26

Pages 12 to 15, delete section 6

Page 15, line 16, delete everything after the period

Page 15, delete lines 17 to 19

Page 15, line 20, delete everything before the colon and insert "The inventory shall include at least three sites for each of the following categories of processing facilities"

Page 15, delete lines 25 to 33

Page 16, delete line 1

Page 16, line 2, delete "*the county.*" and insert "*June 1, 1981, the board shall propose the inventory of sites. Any county in which a site is proposed for inclusion in the inventory may propose an alternative site or sites within that county to the board.*"

Page 16, line 2, delete "*proposed by*"

Page 16, line 3, delete "*counties*"

Page 16, line 7, delete "*the proposed*"

Page 16, line 8, before "*regulations*" insert "*rules and*"

Page 16, line 16, delete "*If*"

Page 16, delete lines 17 to 23

Page 16, line 25, delete "*proposed by the board by July 1, 1981, and*"

Page 16, line 33, delete everything after "*adoption*"

Page 17, line 1, delete "*the county*"

Pages 17 to 18, delete section 8 and insert:

"Sec. 7. [MANAGEMENT AND FACILITY DEVELOPMENT PLAN.] *Subdivision 1. [PREPARATION.] By June 1, 1981, the board shall adopt a hazardous waste management and facility development plan. In developing the plan, the board shall: consult with the hazardous waste management advisory committee, state agencies, regional and local governments, industry and citizens of the state; hold at least two public meetings outside of the metropolitan area to solicit comments and recommendations; and prepare environmental and economic impact statements which provide appropriate analysis of the alternatives, consequences and costs of hazardous waste management and facility development within the state. On or before April 1, 1981, the board shall prepare a draft plan and publish it in the state register and complete the impact statements. On or before May 1, 1981, the board shall hold a public hearing to solicit comments and recommendations on the draft plan. The hearing shall be conducted by the office of hearing examiners but shall not be subject to the provisions of chapter 15. In connection with the hearing the board shall provide copies of the environmental and economic impact statements and a written statement of the need for and reasonableness of the proposed plan. Following the public hearing, the board shall revise the plan as it deems appropriate in response to comments received, adopt the plan in final form and transmit the plan together with a statement summarizing the reasonableness of and need for the plan and responses to comments received during the public hearing, to the legislative commission on or before June 15, 1981. If the legislative commission does not act to disapprove the plan as transmitted, the plan shall become of force and effect on August 1, 1981, and may not be amended until 1985.*

*Subd. 2. [PLAN CONTENT.] The plan shall contain; a hazardous waste processing and disposal facility element; standards*

*and criteria for the review of processing and disposal sites and facilities; and a hazardous waste abatement element. The facility development element shall provide for the establishment of at least one commercial hazardous waste disposal facility in the state; indicate the types and volumes of waste for which processing and disposal facilities are and will be needed through the year 2000 including a specific delineation of the minimum containment capacity of the commercial hazardous waste disposal facility; and the approximate number, types, sizes, operating life, and function or use of the disposal and processing facilities needed in the state. The disposal facility development element shall certify need only to the extent that the board has determined that there are no reasonably available and prudent alternatives including the degree of abatement achievable through waste reduction, waste separation, pre-treatment processing and resource recovery. The facility development plan shall be designed to minimize adverse impact upon natural resources. Economic considerations alone shall not justify disposal nor the rejection of alternatives. The standards and criteria for the review of sites and facilities shall be consistent with, but more specific than, the evaluation factors contained in article III, section 5, subdivision 2 and shall not duplicate or attempt to substitute for state and federal regulations governing hazardous waste sites and facilities. The abatement element shall include policies and recommendations for abating the production of hazardous wastes and reducing the amount of hazardous waste which needs to be processed and disposed within the state. The abatement plan shall contain specific alternative abatement objectives and recommended management methods and technologies, and private and public actions, facilities and services, and levels of public and private expenditure necessary to achieve the alternative abatement objectives."*

Page 18, line 17, delete "COMMITTEES" and insert "COUNCILS"

Page 18, lines 19, 21, 25, 32, and 33, delete "committee" and insert "council"

Page 19, lines 7, 13, and 16, delete "committee" and insert "council"

Page 19, lines 10, 12, and 20, delete "committees" and insert "councils"

Page 19, line 17, delete "5"

Page 19, line 18, delete "and 6" and insert "6 and 7"

Page 19, line 18, delete "3" and insert "5"

Page 20, lines 2 and 18, delete "such" and insert "the"

Page 20, lines 6 and 12, delete "regulations" and insert "rules"

Page 20, line 19, insert before the period " , subject to applicable requirements or restrictions imposed by sections 15.162 to 15.17"

Page 20, after line 31, insert:

*"Subd. 5. The commission shall study alternative methods of insuring that an adequate supply of solid waste will be available to resource recovery facilities and report to the appropriate policy committees of the house of representatives and senate prior to January 1, 1982. The commission shall, at a minimum, consider the relative merits of the required use provisions described in article VIII, section 9, article IX, section 8, and article X, section 11 and other mechanisms designed to facilitate resource recovery by raising costs of landfill alternatives or lowering costs of disposal at resource recovery facilities.*

*Subd. 6. [REPORTS AND RECOMMENDATIONS.] The commission shall study and prepare legislative recommendations dealing with the following subjects:*

*(a) The management and financing liability and post closure monitoring and care for hazardous waste facilities in the state.*

*(b) State strategies to promote and secure private investment in hazardous waste management services, technologies and facilities.*

*(c) Measures to mitigate and compensate local governments for increased public service and facility costs and adverse risks and effects attributable to the development of hazardous waste facilities within their jurisdictions and methods of financing such measures including without limitation: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference in reviews of local applications for federal funds conducted by the metropolitan council and regional development commissions; payment of all costs to service the facilities including the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur.*

*(d) Measures for developing interstate cooperation in hazardous waste management.*

*(e) Measures for abating the production of hazardous waste and reducing the amount of waste which must be reprocessed or disposed.*

*The commission may contract with any state agency for research and assistance in the preparation of these studies and recommendations. To the extent practicable, legislative recommendations critical to the review, siting, development and acceptance of commercial hazardous waste processing and disposal facilities shall be prepared prior to January 15, 1981."*

Page 20, line 32, delete "5" and insert "7"

Page 20, line 32, delete "commission shall cease to" and insert "provisions of this section shall expire"

Page 20, line 33, delete "exist"

Page 22, lines 4 and 7, delete "such"

Page 23, line 17, delete "such" and insert "the"

Pages 23 and 24, delete section 4 and insert:

*"Sec. 4. [REQUEST FOR PROPOSALS.] By February 1, 1981, the board shall publish notice soliciting applications and suggestions from public and private individuals and organizations for the location and development of hazardous waste processing and disposal sites and facilities in the state. The notice shall be published in the state register and newspapers of general circulation in the state and transmitted to all regional development commissions, the metropolitan council and all counties in the state. The notice shall summarize the criteria, standards and procedures the board will use in selecting candidate sites. The notice shall solicit general or specific applications and suggestions for the location and development of facilities which will satisfy the state needs for such facilities as are identified in the hazardous waste plan."*

Page 24, after line 16, insert:

*"When an application for a permit is selected as a candidate site, the applicant may prepare information on the proposed site and facility as authorized by the board and in the event the site or facility proposed is issued a certificate of need, the applicant shall be given the first opportunity to develop the proposed facility in accord with the certificate of need."*

Page 25, line 8, delete "such" and insert "the"

Page 25, line 11, delete the semicolon and insert a period

Page 25, delete lines 12 to 29 and insert:

*"No action of the board shall be held invalid by reason of the board's failure to notify any of the entities listed in this subdivision."*

Page 25, line 30, delete "4" and insert "3"

Page 26, line 9, delete "such"

Page 26, delete section 6 and insert:

*"Sec. 6. From July 15, 1981, through June 1, 1982, the board, the hazardous waste management planning advisory committee, the local project review committees, the agency and other state agencies shall analyze and review the candidate sites and facilities selected by the board pursuant to the evaluation factors, the standards and criteria for site and facility review contained in the hazardous waste management plan, and other applicable laws and regulations. By July 1, 1981, the board shall adopt a public participation and review process and schedule which will provide an appropriate and thorough opportunity to these committees and agencies and interested citizens to participate in the analysis and review of candidate sites and facilities. At a minimum, the process shall include the conduct of one public hearing within the county where each candidate site is located. The process shall also provide for the preparation and submission of final comments and recommendations by the planning advisory committee and the local project review committees to the board by April 1, 1982."*

Page 26, line 25, delete "analysis and"

Page 26, line 26, delete "sections 8 and 9" and insert "section 8"

Page 27, delete lines 13 and 14 and insert "governor."

Page 27, line 29, delete "such" and insert "the"

Page 28, line 6, delete "or" and insert "and"

Page 28, delete section 8

Page 28, line 29, delete "May" and insert "July"

Page 28, line 30, delete "its" and insert "and consistent with the"

Page 30, after line 5, insert

*"Subd. 2. [EARLY COMMENCEMENT.] At any time following the selection of candidate sites and facilities, the board may direct the agency to commence the preparation of an environmental impact statement on a candidate site for which a facility is proposed provided that the facility description is sufficiently detailed in the judgment of the agency to enable preparation of the statement. An environmental impact statement prepared on a candidate site and facility shall be finally accepted or rejected by the environmental quality board within 280 days following the agency's commencement of its preparation."*

Page 30, line 6, delete "2" and insert "3"

Page 30, line 8, delete "and making full"

Page 30, line 9, delete "disclosure of"

Page 30, line 23, delete "in depth"

Page 30, line 25, delete "or" and insert a comma

Page 30, line 25, delete "and" and insert "or"

Page 31, lines 3 and 5, delete "3" and insert "4"

Page 31, line 21, delete "4" and insert "5"

Pages 34 to 41, delete Article IV, Sections 2 to 5, and insert:

*"Sec. 2. [ELIGIBILITY.] The following persons shall be eligible to request supplementary review by the board pursuant to this article: (a) a generator of sewage sludge within the state which has been issued permits by the agency for a facility to dispose of sewage sludge or solid waste resulting from sewage treatment; (b) a person who has been issued permits by the agency for a solid waste facility located outside the metropolitan area; (c) a generator of hazardous waste within the state who has been issued permits by the agency for a hazardous waste facility to be owned and operated by the generator, on property owned by the generator, and to be used by the generator exclusively for managing the hazardous wastes produced by the generator; (d) a generator of hazardous waste within the state, or an entity composed of or under contract to such generators, which has been issued permits by the agency for an interim storage facility for hazardous waste*

*pursuant to article XI, section 9; and (e) a person who has been issued permits by the agency for a commercial hazardous waste processing facility at a site included in the board's inventory of preferred sites for such facilities adopted pursuant to article II, section 7.*

**Sec. 3. [REQUEST FOR REVIEW.]** *An eligible person may request a supplementary review by the board. The request shall show that the required permits for the facility have been issued by the agency, and that a political subdivision has refused to approve the establishment or operation of the facility. For requests by political subdivisions for review under section 2, clause (b), the board may require completion of a plan conforming to the requirements of article V, section 5, before granting review.*

**Sec. 4. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.]** *Within 45 days of the submission of a request determined by the board to satisfy the requirements for review under this article, temporary board members shall be added to the board for the purpose of the supplementary review. Three members shall be selected by the governing body of the city or town in which the waste management board determines the facility would be principally located, and three members shall be selected by the governing body of the county in which the waste management board determines the proposed facility would be principally located. If the proposed facility is located in unorganized territory, all six members shall be selected by the governing board of the county. Temporary members shall be residents of the county in which the proposed facility would be located and shall be selected to represent broadly the local interests that would be directly affected by the proposed facility. At least one member appointed by the city or town shall live within one mile of the proposed facility, and at least one member appointed by the county shall be a resident of a city or town in which the proposed facility would be located. Temporary board members shall serve for terms lasting until the board has taken final action on the project.*

**Sec. 5. [REVIEW PROCEDURE.]** *The board shall meet to commence the supplementary review within 90 days of the submission of a request determined by the board to satisfy the requirements for review under this section. At the meeting commencing the review the chairperson shall recommend and the board establish a scope and procedure for its review and final decision on the proposed facility. The procedure shall require the board to make a final decision on the proposed facility within 90 days following the commencement of review. The procedure shall require the board to conduct at least one public meeting in the county within which the proposed facility would be located. Notice of the meeting shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the meeting. The notice shall describe the proposed facility, its location, the proposed permits, and the board's scope and procedure for review. The notice shall identify a location or locations within the city or town and county where the permit applications, the agency notice of intent, and the board's scope*

and procedure for review are available for review and where copies may be obtained.

**Sec. 6. [SCOPE AND CONTENT OF REVIEW.]** *In its review and final decision on the proposed facility, the board shall consider at least the following matters:*

(a) *the risk and effect of the proposed facility on local residents, units of government, and the local public health, safety, and welfare, including such dangers as an accidental release of hazardous wastes during transportation to the facility, water, air, and land pollution, and fire or explosion where appropriate, and the degree to which the risk or effect may be alleviated;*

(b) *the consistency of the proposed facility with, and its effect on, existing and planned local land use and development; local laws, ordinances, and permits; and local public facilities and services;*

(c) *opportunities to apply local regulations and requirements to the proposed facility at the proposed site;*

(d) *the adverse effects of the facility on natural resources and opportunities to mitigate or eliminate the adverse effects by additional stipulations, conditions, and requirements respecting the design and operation of the proposed facility at the proposed site;*

(e) *the need for the proposed facility, especially its contribution to abating solid and hazardous waste disposal, the availability of alternative sites, and opportunities to mitigate or eliminate need by additional and alternative waste management strategies or actions of a significantly different nature; and*

(f) *whether, in the case of resource recovery facilities, the applicant has considered all other feasible and prudent waste processing alternatives for accomplishing the purposes of the proposed project and has compared and evaluated the costs of all such alternatives, including capital and operating costs, and the effects of all such alternatives on the cost to generators.*

**Sec. 7. [DECISION OF BOARD.]** *In its final decision in the review, the board may:*

(a) *disapprove the facility;*

(b) *approve the facility and the agency permits; or*

(c) *approve the facility but add more stringent stipulations, conditions, and requirements respecting the design and operation of the proposed facility at the site proposed.*

*The board shall not stipulate or establish conditions or requirements which are less stringent than those established by the agency permits. The board shall not stipulate or establish conditions or requirements affecting the location proposed for the facility in the agency permits. The board shall not stipulate or establish conditions or requirements for additional waste management capabilities at the facility of a different nature than those permitted in the agency permits. The board shall not stipulate*

*or establish conditions or requirements relating to alternative waste management strategies, actions, or facilities not proposed by the applicant or addressed in the agency permits.*

**Sec. 8. [BOARD'S DECISION PARAMOUNT.]** *To assure the paramount and controlling effect of the reviews conducted under this article, the board's decision shall supersede and preempt conflicting requirements of state agencies and political subdivisions. The permitting agency or agencies shall withdraw, modify, or issue the permits for the facility in accordance with the decision of the board following a supplementary review under article IV. All permits issued by the agency or agencies shall conform to the terms of the board's decision. No charter provision, ordinance, regulation, permit, or other requirement of any state agency or political subdivision shall prevent or restrict the establishment and operation of the facility in accordance with the board's final decision.*

**Sec. 9. [JUDICIAL REVIEW.]** *Judicial review with respect to conduct or decisions in reviews brought pursuant to sections 2, clauses (c), (d), and (e) of this article shall be as provided in article III, section 14."*

**Page 43, line 1, delete "such" and insert "any"**

**Page 48, line 3, delete "such" and insert "the"**

**Page 55, line 28, delete "such" and insert "the"**

**Page 56, lines 7 and 8, delete "such"**

**Page 56, lines 24 and 32, delete "such" and insert "the"**

**Page 64, line 33, delete "such" and insert "the"**

**Page 67, delete lines 13 to 15**

**Page 69, line 21, delete "any or all of"**

**Page 69, line 22, delete "and taxing"**

**Page 69, line 23, delete "such" and insert "the"**

**Page 69, line 27, after "475" insert "for revenue bonds"**

**Page 69, line 29, after "issuing" insert "revenue"**

**Page 75, line 29, delete "such"**

**Page 76, line 10, delete "such" and insert "the"**

**Page 77, line 24, delete "such" and insert "the"**

**Page 78, line 10, reinstate "pollution control" in both places where it is stricken**

**Page 78, line 19, delete "western" and insert "Western"**

**Page 78, line 29, delete "lake superior" and insert "Lake Superior"**

**Page 82, line 8, delete "3" and insert "2a"**

- Page 82, line 14, delete "3" and insert "1b"
- Page 82, line 32, delete "4" and insert "2b"
- Page 83, lines 5, 11 and 14, delete "2" and insert "1a"
- Page 83, line 7, delete "such"
- Page 83, line 8, delete "such" and insert "any"
- Page 83, line 16, delete "5" and insert "2c"
- Page 84, line 4, delete "6" and insert "2d"
- Page 84, line 7, delete "3" and insert "1b"
- Page 84, line 25, delete "7" and insert "2e"
- Page 84, line 33, delete "such"
- Page 85, line 6, delete "72" and insert "13"
- Page 85, line 14, reinstate "3" and delete "8"
- Page 86, line 15, reinstate "4" and delete "9"
- Page 86, line 18, delete "7" and insert "2e"
- Page 86, line 28, delete "5" and insert "2c"
- Page 86, line 29, delete "6" and insert "2d"
- Page 87, lines 2 and 3, delete "such"
- Page 89, line 33, delete "such"
- Page 92, line 19, delete "2" and insert "1a"
- Page 93, line 24, delete "4" and insert "2b"
- Page 93, lines 29 and 32, delete "such"
- Page 93, line 33, delete "3" and insert "1b"
- Page 94, line 3, delete "3" and insert "2a"
- Page 94, line 22, delete "6" and insert "2d"
- Page 94, line 23, delete "4" and insert "2"
- Page 94, line 29, reinstate "2" and delete "4"
- Page 95, line 7, reinstate "3" and delete "5"
- Page 96, line 13, delete "9," and insert "5c, a"
- Page 96, line 23, delete "2" and insert "1a"
- Page 96, line 27, delete "4" and insert "2b"
- Page 96, line 28, delete "2" and insert "1a"
- Page 96, line 29, delete "12" and insert "13"
- Page 97, line 5, reinstate "2" and delete "3"

Page 97, line 22, reinstate "3" and delete "4"

Page 98, line 7, reinstate "4" and delete "5"

Page 98, line 16, reinstate "5" and delete "6"

Page 99, line 7, delete "7" and insert "5a"

Page 99, line 17, delete "8" and insert "5b"

Page 99, line 30, delete "9" and insert "5c"

Page 101, line 3, delete "10" and insert "5d"

Page 101, line 25, reinstate "6" and delete "11"

Page 102, line 2, reinstate "7" and delete "12"

Page 102, line 9, reinstate "8" and delete "13"

Page 102, line 26, reinstate "9" and delete "14"

Page 106, line 26, delete "6" and insert "2d"

Page 106, line 28, delete "3" and insert "1b"

Page 109, line 12, delete "7" and insert "2e"

Page 109, line 17, delete "12" and insert "13"

Page 109, line 28, delete "12" and insert "13"

Page 110, line 1, delete "7" and insert "2e"

Page 110, line 11, delete "7" and insert "2e"

Page 112, line 13, delete "11" and insert "12"

Page 113, line 16, delete "11" and insert "12"

Page 120, line 1, delete "such"

Page 121, after line 15, insert:

*"In implementing its hazardous waste rules, the pollution control agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long-term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and interim storage."*

Page 123, delete lines 10 to 33

Page 124, delete lines 1 to 9 and insert:

*"Subd. 4c. [PERMITS; TEMPORARY HAZARDOUS WASTE STORAGE FACILITIES.] A generator of hazardous waste within the state may apply to the agency for permits for a temporary storage facility for hazardous waste generated within the state. The application shall demonstrate: (a) that no permitted commercial waste facility is reasonably available to accept the waste, and (b) that the proposed storage facility will be on property owned by the applicant and used for storing the hazardous*

waste generated exclusively by the applicant. The agency shall give highest priority to and shall expedite consideration of such applications. Within 60 days of receipt of a completed application, the agency shall either deny a permit or give notice of its intent to issue a permit. The agency shall publish the notice in the state register and shall notify directly the board and the affected county and city or town. If no hearing is requested on the permit within 30 days following the notice of intent, the agency shall issue the permit. If a hearing is requested, the hearing shall be conducted by the state office of hearing examiners in a manner determined by the hearing examiner to be consistent with the expeditious completion of the proceedings as required by this subdivision. The examiner shall give highest priority to and shall expedite the proceedings. The hearing shall be conducted within 45 days of the request, the examiner's report shall be submitted to the agency within 15 days of the hearing, and the agency shall make a final decision on the permit within 30 days of the report. The permit shall be issued for a period not to exceed one year but shall be renewable for four successive one year periods if at the time of each annual renewal the agency determines that there continues to be no permitted commercial waste facility reasonably available to accept the waste. Notwithstanding any law or requirement to the contrary, the permit shall be the only permit or approval required. Upon submission of an application for temporary storage facilities and until the permit is issued, the applicant shall store its hazardous wastes in the manner set forth in the application. A temporary storage permit issued pursuant to this subdivision shall not affect the responsibility of the generator for removal and final processing or disposal in a permitted hazardous waste facility."

Page 124, line 20, delete "land containment,"

Page 126, line 1, delete "land contained,"

Page 126, line 8, reinstate "pollution control"

Page 126, line 9, delete "land containment"

Page 126, line 10, delete "and"

Page 126, line 26, after "prescribe" insert "by rule"

Page 127, lines 11 and 18, delete "such" and insert "the"

Page 134, line 17, delete "116F.01;"

Page 134, line 17, after "116F.02" insert ", Subdivisions 3, 4, and 5"

Page 134, line 17, after "116F.05" insert ", Subdivision 2"

Page 134, line 24, after the period, insert "Article VIII, section 9, article IX, section 8, and article X, section 11, are effective July 1, 1982."

ReNUMBER the sections in sequence

Correct any internal cross references

Amend the title as follows:

Page 1, line 27, delete "116F.01;"

Page 1, line 27, after "116F.02" insert ", Subdivisions 3, 4, and 5"

Page 1, line 27, after "116F.05" insert ", Subdivision 2"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1597: A bill for an act relating to agriculture; providing for agricultural preserves; providing property tax relief; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CITATION; POLICY; PURPOSE.] *Subdivision 1. Sections 2 to 19 may be cited as the "metropolitan agricultural preserves act".*

*Subd. 2. It is the policy of the state to encourage the use and improvement of its agricultural lands for the production of food and other agricultural products. It is the purpose of sections 2 to 19 to provide an orderly means by which lands in the metropolitan area designated for long term agricultural use through the local and regional planning processes will be taxed in an equitable manner reflecting the long term singular use of the property, will be protected from unreasonably restrictive local and state regulation of normal farm practices, will be protected from indiscriminate and disruptive taking of farmlands through eminent domain actions, will be protected from the imposition of unnecessary special assessments, and will be given such additional protection and benefits as are needed to maintain viable productive farm operations in the metropolitan area.*

Sec. 2. [DEFINITIONS.] *Subdivision 1. For purposes of sections 2 to 19 the terms defined in this section shall have the meanings given them.*

*Subd. 2. "Agricultural preserve" or "preserve" means a land area covenanted according to section 5 to remain in agricultural use.*

*Subd. 3. "Agricultural use" means the production for sale of livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under Minnesota Statutes, Sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees and apiary products, and wetlands, pasture and woodlands.*

*Subd. 4. "Authority" means the unit of government exercising planning and zoning authority for the land specified in an application as provided under section 5 and pursuant to Minnesota Statutes, Sections 394.21 to 394.37, 462.351 to 462.364, or 366.10*

to 366.19. Where both a county and a township have adopted zoning regulations, the authority shall be the unit of government designated to prepare a comprehensive plan pursuant to Minnesota Statutes, Section 473.861, Subdivision 2.

Subd. 5. "Certified long term agricultural land" means land certified pursuant to section 4 as eligible for designation as agricultural preserves.

Subd. 6. "Covenant agreement" means a restrictive covenant initiated by the owner and evidenced by an agreement provided for in section 5 whereby the owner places the limitations on specified land and receives the protections and benefits contained in sections 2 to 19.

Subd. 7. "Long term agricultural land" means land in the metropolitan area designated for agricultural use in local or county comprehensive plans adopted and reviewed pursuant to Minnesota Statutes, Sections 473.175, and 473.851 to 473.871, and which has been zoned specifically for agricultural use permitting a maximum residential density of not more than one unit per quarter/quarter.

Subd. 8. "Metropolitan area" has the meaning given it in Minnesota Statutes, Section 473.121, Subdivision 2.

Subd. 9. "Owner" means a resident of the United States owning land specified in an application pursuant to section 5, and includes an individual, legal guardian or family farm corporation as defined in Minnesota Statutes, Section 500.24, having a joint or common interest in the land. Where land is subject to a land contract, owner means the vendor in agreement with the vendee.

Subd. 10. "Quarter/quarter" means one quarter of one quarter of any section in the rectangular land survey system.

Sec. 3. [ELIGIBILITY.] Subdivision 1. Long term agricultural land comprising 40 or more acres shall be eligible for designation as an agricultural preserve.

Subd. 2. Noncontiguous parcels may be included to achieve the minimum acreage requirement in subdivision 1, provided that each parcel is at least ten acres in size and provided that all separate parcels are farmed together as a unit.

Subd. 3. The minimum acreage requirement in subdivision 1 may be reduced to 35 acres provided the land is a single quarter/quarter parcel and the amount less than 40 acres is due to a public road right-of-way or a perturbation in the rectangular survey system resulting in a quarter/quarter of less than 40 acres.

Subd. 4. Contiguous long term agricultural land comprising not less than 20 acres and surrounded by eligible land on not less than two sides shall be eligible for designation as an agricultural preserve provided the authority by resolution determines that: (i) the land area predominantly comprises Class I, II, III, or is irrigated Class IV land according to the Land Capability Classification Systems of the Soil Conservation Service and the county soil

survey; (ii) the land area is considered by the authority to be an essential part of the agricultural region; and (iii) the parcel was a parcel of record prior to January 1, 1980, or the land was an agricultural preserve prior to becoming a separate parcel of at least 20 acres.

*Subd. 5. Contiguous long term agricultural land meeting the total acreage requirements of this section but located in two or more minor civil divisions so that the minimum acreage requirement is not met in one or more of the minor civil divisions shall be eligible by joint resolution of the affected authorities.*

*Sec. 4. [CERTIFICATION.] Subdivision 1. On or before January 1, 1981 each authority in the metropolitan area having land classified agricultural pursuant to Minnesota Statutes, Section 273.13 shall certify by resolution and 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 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.*

*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 officially 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 such 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 in a newspaper having a general circulation within the area of jurisdiction of the authority.*

*Subd. 3. The authority shall provide the metropolitan council with suitable maps showing any lands certified eligible pursuant to subdivision 1 or decertified pursuant to subdivision 2. The metropolitan council shall maintain maps of the metropolitan area showing all certified long term agricultural lands.*

*Sec. 5. [APPLICATION; COVENANT AGREEMENT.] Subdivision 1. An owner or owners of certified long term agricultural land may apply for the creation of an agricultural preserve at any time. Land for which application is received prior to March 1 of any year shall be assessed pursuant to section 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 10 in the following year. Application shall be made to the authority for the specified land area. Application shall be made on forms provided by the commissioner of agriculture and shall require at least the following information and such other information as the commissioner deems necessary for the lawful fulfillment of the provisions of sections 2 to 19.*

(a) *Legal description of the area proposed to be designated or parcel identification numbers as 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 2 to 19 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 with the land;*

(f) *Date of application and date that designation is effectuated.*

*Subd. 2. The authority may require an application fee, not to exceed \$50, to defray administrative costs.*

*Sec. 6. [NOTIFICATION.] Subdivision 1. Within five days of the date of application, the authority shall forward copies of the completed and signed application to the county recorder, the county auditor, the county assessor, the metropolitan council, and the county soil and water conservation district.*

*Subd. 2. The county recorder shall file and record the restrictive covenant.*

*Subd. 3. The county auditor, for taxes payable in the following year and thereafter for the duration of the preserve, shall determine mill rates, assessments and taxes involving the preserve according to the provisions of section 10.*

*Subd. 4. The county assessor, for taxes payable in the following calendar year and thereafter for the duration of the preserve, shall value and assess the agricultural preserve according to section 10.*

*Subd. 5. The metropolitan council shall maintain agricultural preserve maps of suitable form, illustrating (a) certified long term agricultural lands; and (b) lands covenanted as agricultural preserves. The council shall make yearly reports of such data to the state planning agency and such other agencies as the council deems appropriate.*

*Subd. 6. County auditors shall maintain records of the taxes assessed and paid on agricultural preserves in a manner prescribed by the commissioner of revenue for the orderly monitoring of the program.*

*Subd. 7. The county soil and water conservation district may prepare an advisory statement of existing and potential conservation problems for the agricultural preserve land. The statement shall be forwarded to the owner of record and a copy of the statement shall be forwarded to the authority.*

*Sec. 7. [COMMENCEMENT OF PRESERVE.] A land area shall be deemed an agricultural preserve and subject to all the*

*benefits and restrictions of sections 2 to 19 commencing 30 days from the date of application.*

**Sec. 8. [DURATION.]** *Subdivision 1. Agricultural preserves shall continue until either the landowner or the authority initiates expiration as provided in this section.*

*Subd. 2. A landowner may initiate expiration by notifying the authority on a form provided by the commissioner of agriculture. The notice shall describe the property for which expiration is desired and shall state the date of expiration which shall be at least eight years from the date of notice. The notice and expiration may be rescinded by the owner at any time during the first two years following notice.*

*Subd. 3. The authority may initiate expiration by notifying the landowner by registered letter on a form provided by the commissioner of agriculture, provided that before notification (i) the comprehensive plan and the zoning for the land have been officially amended so that the land is no longer planned for long term agriculture and is no longer zoned for long term agriculture, evidenced by a maximum residential density permitting more than one unit per quarter/quarter, and (ii) the authority has certified such changes pursuant to section 4, subdivision 2. The notice shall describe the property for which expiration is desired and shall state the date of expiration which shall be at least eight years from the date of notice.*

*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 notify the county recorder, county auditor, county assessor, the metropolitan council, and the county soil and water conservation district and shall state the date of expiration. Designation as an agricultural preserve and all benefits and limitations accruing through sections 2 to 19 for the preserve shall cease on the date of expiration.*

**Sec. 9. [EARLY TERMINATION.]** *Termination of an agricultural preserve earlier than a date derived through application of section 8 may be permitted only in the event of a public emergency upon petition from the owner or authority to the governor. The determination of public emergency shall be by the governor through executive order pursuant to Minnesota Statutes, Sections 4.035 and 12.01 to 12.46. The executive order shall identify the preserve, the reasons requiring the action and the date of termination.*

**Sec. 10. [AD VALOREM PROPERTY TAXES.]** *Subdivision 1. Real property within an agricultural preserve shall be valued and assessed pursuant to Minnesota Statutes, Chapter 273, except as provided in this section.*

*Subd. 2. All land classified agricultural and in agricultural use, exclusive of buildings, shall be valued solely with reference to its agricultural capability value, notwithstanding Minnesota Statutes, Sections 272.03, Subdivision 8, and 273.11. Agricultural*

capability value shall be determined in a manner prescribed by the commissioner of revenue for this purpose. Factors that shall be considered when applicable are rent capitalization, crop equivalency rating, climate, soils, distance from market, normal farm practices, crops, commodity prices, transportation costs, and interest rates. Added value from nonagricultural factors shall not be considered.

Subd. 3. (a) After the assessor has determined the market value of all land valued according to subdivision 2, he shall compute the assessed value of those properties by applying the appropriate classification percentages. When the county auditor computes the rate of tax pursuant to Minnesota Statutes, Section 275.09, he shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the original ad valorem property taxes on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous year's statewide average township mill rate for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings is the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference.

The county auditor shall certify to the commissioner of revenue on or before June 1, 1982, and each year thereafter, the total amount of tax lost to the taxing jurisdictions located within his county as a result of this subdivision. Payments shall be made by the state annually on July 15, 1982 and each year thereafter to each of the affected taxing jurisdictions. There is annually appropriated from the general fund in the state treasury to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision.

Sec. 11. [LIMITATION ON CERTAIN PUBLIC PROJECTS.] Notwithstanding Minnesota Statutes, Chapter 429, construction projects for public sanitary sewer systems and public water systems benefiting land or buildings in agricultural preserves shall be prohibited. New connections between land or buildings in agricultural preserves and sanitary sewers or water systems shall be prohibited. Public sanitary sewer or water systems built in the vicinity of agricultural preserves are deemed of no benefit to the land and buildings in agricultural preserves.

Sec. 12. [PROTECTION FOR NORMAL FARM PRACTICES.] Local governments and counties shall be prohibited from enacting ordinances or regulations within an agricultural

preserve which would unreasonably restrict or regulate normal farm structures or farm practices in contravention of the purpose of sections 2 to 19 unless the restriction or regulation bears a direct relationship to the public health and safety. This section shall apply to the operation of farm vehicles and machinery in the planting, maintenance and harvesting of crops and in the care and feeding of farm animals, the type of farming, and the design of farm structures, exclusive of residences.

**Sec. 13. [STATE AGENCIES TO BE SUPPORTIVE.]** *Subdivision 1. It shall be the policy of all state agencies to encourage the maintenance of viable farming in agricultural preserves.*

*Subd. 2. The joint legislative committee on agricultural land preservation shall undertake a study of state agency regulations which negatively affect long term agricultural lands. The committee shall identify any state regulations which have the effect of favoring nonagricultural development and adversely affecting the long term nature of farming in an agricultural preserve. For any regulations so identified, the committee shall propose modifications for application to agricultural preserves that would be supportive of agriculture as the primary and long term use of land within an agricultural preserve while maintaining the statutory objective to protect the health, safety, and welfare of the public. The committee shall make a report on this study to the legislature by January 1, 1982.*

*Subd. 3. The joint committee shall study at least the following state agency rules and regulations:*

*APC6, preventing particulate matter from becoming airborne;*

*APC8, open burning;*

*APC9, control of odors in ambient air;*

*APC29, standards of performance for grain handling facilities;*

*SW54, location requirements for livestock feedlots, poultry lots, and other animal lots;*

*SW55, nonconforming feedlots;*

*WPC40, regulation for the administration of municipal facilities assistance program and the Minnesota state water pollution control fund and federal grant funds allotted to Minnesota;*

*6MCAR 3, routing high voltage transmission lines and siting large electric power generating plants.*

**Sec. 14. [ANNEXATION PROCEEDINGS.]** *Agricultural preserve land within a township shall not be annexed to a municipality pursuant to Minnesota Statutes, Chapter 414, without a specific finding by the Minnesota municipal board that either (a) the expiration period as provided for in section 8 has begun; (b) the surviving unit of government 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. 15. [EMINENT DOMAIN ACTIONS.] Subdivision 1.** *Any agency of the state, any public benefit corporation, any local, county or regional unit of government, or any other entity possessing powers of eminent domain under Minnesota Statutes, Chapter 117, shall follow the procedures contained in this section before (1) moving to acquire any land or easement having a gross area over ten acres in size within agricultural preserves and on certified long term agricultural land; or (2) moving to advance a grant, loan, interest subsidy or other funds for the construction of dwellings, commercial or industrial facilities, or water or sewer facilities that could be used to serve nonfarm structures within agricultural preserves.*

**Subd. 2.** *Notice of intent shall be filed with the environmental quality board 60 days prior to such action containing information and in the manner and form required by the environmental quality board. The notice of intent shall contain a report justifying the proposed action, including an evaluation of alternatives which would not require acquisition within agricultural preserves.*

**Subd. 3.** *The environmental quality board, in consultation with affected units of government, shall review the proposed action to determine the effect on the preservation and enhancement of agriculture and agricultural resources within the preserves and the relationship to local and regional comprehensive plans.*

**Subd. 4.** *If the environmental quality board finds that the proposed action might have an unreasonable effect on an agricultural preserve or preserves, the environmental quality board shall issue an order within the sixty day period for the party to desist from such action for an additional sixty day period.*

**Subd. 5.** *During the additional 60 day period, the environmental quality board shall hold a public hearing concerning the proposed action at a place within the preserve or otherwise easily accessible to the preserves upon notice in a newspaper having a general circulation within the area of the preserves, and individual notice, in writing, to the municipalities whose territory encompasses the preserves and the agency, corporation or government proposing to take the action, to any public agency having the power of review of or approval of the action, and in a manner conducive to the wide dissemination of the findings to the public.*

**Subd. 6.** *The review process required in this section may be conducted jointly with any other environmental impact review conducted by the environmental quality board.*

**Subd. 7.** *The environmental quality board may request the attorney general to bring an action to enjoin any agency, corporation or government from violating the provisions of this section.*

*Subd. 8. This section shall not apply to an emergency project which is immediately necessary for the protection of life and property.*

*Subd. 9. The environmental quality board shall be empowered to suspend any eminent domain action for up to one year which it determines to be contrary to the purposes of sections 2 to 19 and for which it determines there are reasonable and cost effective alternatives which have less negative impact on the agricultural preserves.*

**Sec. 16. [CONSERVATION.]** *Subdivision 1. Land within an agricultural preserve shall be farmed and otherwise managed according to sound soil and water conservation management practices. Management practices which are not sound shall be any use of the land resulting in wind or water erosion in excess of the soil loss tolerance for each soil type as found in the United States soil conservation service, Minnesota technical guide.*

*Subd. 2. The authority shall be responsible for enforcing this section. Upon receipt of a written complaint stating the conditions or land management practices which are believed to be in violation of this section, the authority shall consult with the county soil and water conservation district. The district shall determine the average soil loss in tons per acre per year for each field cited in the complaint according to the universal soil loss equation and the wind erosion equation, and shall return to the authority a report showing the average soil loss in tons per acre per year for each field and a list of alternative practices that the landowner can use to reduce the soil loss to the limit allowed in subdivision 1. After consultation, and if in the judgment of the authority there is ample evidence that the land is not being managed properly as required by this section, the authority shall adopt a resolution to this effect and shall seek corrective measures from the owner. At the request of the landowner, the district shall assist in the planning, design and application of the practices selected to reduce the soil loss to an acceptable level and shall give such landowners a high priority for providing technical and cost share assistance.*

*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 of not more than \$1,000. The authority may recover the penalty by a civil action in a court of competent jurisdiction.*

*Subd. 4. Costs incurred by the authority in the enforcement of this section may be charged to the property owner. Charges not timely paid may be placed on the tax rolls and collected as a special assessment against the property.*

**Sec. 17. [LAND USE.]** *Subdivision 1. Land within an agricultural preserve shall be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve shall not exceed one unit per 40 acres. The location of any new structure shall conform to locally applicable*

zoning regulations. Commercial and industrial uses shall not be permitted except that small on-farm commercial or industrial operations normally associated with and important to farming in the area may be permitted by the authority. The authority shall be responsible for enforcing this section.

*Subd. 2. When a separate parcel is created for a residential structure permitted under subdivision 1, the parcel shall cease to be an agricultural preserve unless the eligibility requirements of section 3 are met. However, the residential unit shall continue to be included in the maximum residential density for the original preserve.*

**Sec. 18. [TRANSFER FROM AGRICULTURAL PROPERTY TAX LAW TREATMENT.]** *When land which has been receiving the special agricultural valuation and tax deferment provided in Minnesota Statutes, Section 273.111, becomes an agricultural preserve pursuant to sections 2 to 19, the recapture of deferred tax and special assessments, as provided in Minnesota Statutes, Section 273.111, Subdivisions 9 and 11, shall not be made. Special assessments deferred under Minnesota Statutes, 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 under section 9, all special assessments plus interest shall be payable within 90 days of the date of termination unless otherwise deferred or abated by executive order of the governor.*

**Sec. 19. Minnesota Statutes 1978, Section 273.111, Subdivision 6, is amended to read:**

*Subd. 6. Real property shall be considered to be in agricultural use provided that annually: (1) at least ~~33 1/3 percent~~ one third of the total family income of the owner is derived therefrom, or the total production income including rental from the property is \$300 \$3,000 plus \$10 per tillable acre in excess of 40 acres in the metropolitan area, as defined in section 473.121, subdivision 2, or \$300 plus \$10 per tillable acre in the rest of the state; and (2) it is devoted to the production for sale of live-stock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and or nursery stock which is under sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, or bees and apiary products by the owner. Slough, wasteland, and woodland contiguous to or surrounded by land described in subdivision 3 shall be considered to be in agricultural use if under the same ownership and management. For the purposes of this subdivision, "total family income" shall mean the household income as defined in section 290A.03 of the persons for whom the property serves as a homestead.*

**Sec. 20. [EFFECTIVE DATE.]** *Sections 1 to 18 are effective on June 1, 1980. Section 19 is effective for taxes levied in 1982, payable in 1983, and thereafter."*

Amend the title as follows:

Page 1, line 2, delete "agriculture" and insert "metropolitan government"

Page 1, line 3, before "agricultural" insert "metropolitan area"

Page 1, line 4, before the period, insert "; amending Minnesota Statutes 1978, Section 273.111, Subdivision 6"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2023: A bill for an act relating to nuclear safety; licensing and regulating nuclear power plants, reactors, and spent nuclear fuel disposal sites; empowering the department of health to conduct monitoring and emergency contingency planning; appropriating funds.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 12.03, Subdivision 4, is amended to read:

Subd. 4. "Emergency services or civil defense" means the preparation for and the carrying out of all emergency functions, other than functions for which military forces are primarily responsible, to prevent, minimize and repair injury and damage resulting from disasters, or from acute shortages of energy, or from incidents occurring at nuclear fission electrical generating plants which pose radiological or other health hazards. These functions include, without limitation, fire-fighting services, police services, medical and health services, rescue, engineering, warning services, communications, radiological, chemical and other special weapons defense, evacuation of persons from stricken areas, emergency welfare service, emergency transportation, existing or properly assigned functions of plant protection, temporary restoration of public utility services, implementation of energy supply emergency conservation and allocation measures, and other functions related to civilian protection, together with all other activities necessary or incidental to preparation for and carrying out of the foregoing functions.

Sec. 2. Minnesota Statutes 1978, Chapter 12, is amended by adding a section to read:

[12.13] [NUCLEAR POWER PLANT EMERGENCY RESPONSE PLAN.] *Subdivision 1. The state director, in cooperation with the commissioner of health, and affected local units of government shall develop the state and local portions of the emergency response plan specified in the licensing of each nuclear fission electrical generating plant located in Minnesota.*

*In addition to any requirements imposed by federal law, the*

*director shall assess the need for protective actions required to mitigate the effect of an incident at a nuclear power plant, and develop a nuclear power plant emergency response plan which shall include, but is not limited to:*

*(1) Purchase of equipment including public warning systems, protective devices, and communication systems, including preparation of brochures, pamphlets and educational programs;*

*(2) Provision of a remote effluent monitoring system capable of continuously identifying and quantifying the radioactive components of all effluents from nuclear fission electrical generating plants into the environment pursuant to section 7;*

*(3) Development of a detailed nuclear emergency response plan for areas surrounding each nuclear fission electrical generating plant;*

*(4) Training of state and local emergency response personnel;*

*(5) Development of accident scenarios and exercises for each plant site for the nuclear emergency response plan; and*

*(6) Provision of any other specialized response equipment necessary to fulfill the plan.*

*The director shall provide any necessary assistance to other state agencies in order to improve the state's nuclear power plant emergency response capacity.*

*Subd. 2. The director, in coordination with the commissioner of public safety, shall provide grants to local units of government for the purpose of providing training and equipment to improve local nuclear power plant emergency response capacity.*

*Local units of government shall submit grant requests to the director in a manner and form prescribed by him. The director shall allocate grants on the basis of need and conformity with the plan.*

**Sec. 3. Minnesota Statutes, 1979 Supplement, Section 12.21, Subdivision 1, is amended to read:**

**12.21 [GOVERNOR.] Subdivision 1.** The governor has general direction and control of emergency services and has the power and duty to carry out the provisions of this chapter and, during a civil defense emergency declared as existing under section 12.31, or during the existence of an energy supply emergency as declared under section 116H.09, or during the existence of any emergency resulting from an incident at a nuclear fission electrical generating plant which poses radiological or other health hazard, may assume direct operational control over all or any part of the emergency services functions within this state.

**Sec. 4. [ASSESSMENT FOR NUCLEAR POWER PLANT EMERGENCY RESPONSE PLAN.]** Any person, firm, corporation or association in the business of owning or operating a

*nuclear fission electrical generating plant located in Minnesota, shall pay an assessment of \$400,000 per plant to cover the initial cost of upgrading nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants.*

*This assessment shall be paid to the state by September 1, 1980. Thereafter, an assessment of \$50,000 per plant shall be paid annually to cover ongoing costs related to the emergency response plan.*

**Sec. 5. Minnesota Statutes, 1979 Supplement, Section 12.21, Subdivision 4, is amended to read:**

**Subd. 4.** *The governor shall propose procedures for annual review by state and local officials of the evacuation plans state emergency response plan specified in the licensing of each nuclear fission electrical generating plant. The review shall include, but not be limited to such factors as changes in traffic patterns, population densities, and new construction. Opportunity for full public participation in the annual review shall be provided. Copies of an evacuation plan a state emergency response plan shall be published, publicized, and distributed to the news media and to the appropriate officials of affected communities, and shall be made available to the general public upon request, at no more than the cost of reproduction.*

**Sec. 6. [CONTINUOUS REMOTE EFFLUENT MONITORING SYSTEMS.] Subdivision 1.** *The department of public safety, in cooperation with the department of health and the pollution control agency, shall conduct a study of available continuous, remote effluent monitoring and notification systems and establish requirements for a system, including the type, number and location of devices for that system, suitable for use at Minnesota plant sites. The study shall be completed by January 1, 1981, and the requirements shall be established by July 1, 1981.*

*The department of health may also provide for inspections and may require calibrations and maintenance activities to be performed by the operators of monitored plants.*

**Subd. 2.** *The operators of nuclear fission electrical generating plants shall implement the monitoring system requirements within one year of promulgation. In no event shall a plant operator be required to spend more than \$. . . . . in capital outlay for a single nuclear power plant site in complying with the monitoring and notification requirements of this section.*

**Sec. 7. [APPROPRIATIONS.] Subdivision 1.** *The sum of \$681,000 is appropriated from the general fund to the director of emergency services, to be available until expended for the following purposes:*

- |  |                  |
|--|------------------|
| <i>(a) For the purposes provided in section 2:</i>   | <i>\$381,000</i> |
| <i>(b) For the purpose of providing local grants pursuant to section 2, subdivision 2:</i> | <i>\$100,000</i> |

- (c) *For the purpose of a study of the consequences of a serious nuclear power plant incident at each of the existing operating plant locations, and for the study required in section 7:* **\$200,000**

*The study shall include analysis of existing emergency planning zones, and the need for modification or extension, the capacity of state and local agencies to deal with a nuclear power plant emergency, the need for changes in land use regulation near plant sites, the scope of federal assistance during an emergency, the scope and coverage of utility insurance programs, a review of the state's role in emergency planning, and plant operation.*

*The department of public safety, division of emergency services is authorized to increase its complement by two positions in the unclassified service.*

*Subd. 2. The sum of \$181,000 is appropriated from the general fund to the commissioner of health for the purchase of equipment, and other costs necessary to carry out the purpose of section 2 to be available until expended.*

*The department of health is authorized to increase its complement by one full time position."*

Delete the title and insert:

*"A bill for an act relating to emergency services; providing for a nuclear power plant emergency response plan; providing for assessment of costs to nuclear power plants; requiring the departments of public safety and health to monitor, provide training, and prepare plans for nuclear power plant incidents; changing zoning laws; requiring a study; appropriating money; amending Minnesota Statutes 1978, Chapter 12, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 12.03, Subdivision 4; and 12.21, Subdivision 1 and 4."*

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1340: A bill for an act relating to motor vehicles; establishing gross weight limitations on certain highways for certain vehicles and combinations of vehicles; providing an exception; providing for the enforcement of weight limitations and providing penalties; authorizing the employment of certain personnel in the unclassified service to enforce certain motor vehicle and traffic laws, and prescribing the conditions of employment; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 3; 169.03, Subdivision 6; 169.83, Subdivision 2; 169.832, Subdivision 2, and by adding a subdivision; 169.85; and 299D.06.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 4, delete section 1 and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 168.013, Subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELATION; EXCESSIVE GROSS WEIGHTS FORBIDDEN.] The applicant for all licenses based on gross weight shall state in writing upon oath, among other things, the unloaded weight of such *the motor vehicle or , trailer or semi-trailer* and the maximum load the applicant proposes to carry thereon, the sum of which shall constitute the gross weight upon which the license tax shall be paid, but in no case shall the declared gross weight upon which the tax is paid be less than  $1\frac{1}{2}$  times the declared unloaded weight of the *motor vehicle or , trailer or semi-trailer* to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18 and wreckers defined in section 169.01, subdivision 52. The gross weight of a wrecker is the actual weight of the wrecker fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the wrecker.

The gross weight of no *motor vehicle or , trailer or semi-trailer* shall exceed the gross weight upon which the license tax has been paid by more than four percent or 1000 pounds, whichever is greater.

The gross weight of the *motor vehicle or , trailer or semi-trailer* for which such license tax is paid shall be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates shall be kept clean and clearly visible at all times.

The owner, driver, or user of a *motor vehicle or , trailer or semi-trailer* upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight shall be guilty of a misdemeanor and be subject to increased registration or re-registration according to the following schedule:

(1) The owner, driver or user of a *motor vehicle or , trailer or semi-trailer* upon conviction for transporting a gross weight in excess of the gross weight for which it is registered by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent or for operating or using a vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.83 by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent, in addition to any penalty imposed on him for the misdemeanor shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight of which the owner, driver, or user was convicted of carrying, the increase computed for the balance of the calendar year on the basis of  $1/12$  of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that

weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for such a vehicle under ~~section~~ *sections 169.83 or 169.832*, that additional amount shall nevertheless be paid into the highway fund, but the additional tax thus paid shall not be deemed to permit the vehicle to be operated with a gross weight in excess of the maximum legal weight as provided by ~~section~~ *sections 169.83 or 169.832*. Unless the owner within 30 days after such a conviction shall apply to increase the authorized weight and pay the additional tax as herein provided, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued by him on that registration.

(2) The owner or driver or user of a *motor vehicle or , trailer or semi-trailer* upon conviction for transporting a gross weight in excess of the gross weight for which the *motor vehicle or , trailer or semi-trailer* was registered by 25 percent or more, or for operating or using a vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in ~~section~~ *sections 169.83 or 169.832* by 25 percent or more, in addition to any penalty imposed on him for the misdemeanor, shall have the reciprocity privileges on the vehicle involved if the same is being operated under reciprocity canceled by the registrar, or if the vehicle is not being operated under reciprocity, the certificate of registration on the vehicle so operated shall be canceled by the registrar and the registrar shall demand the return of the registration certificate and registration plates. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed be paid.

(3) When the registration on a motor vehicle, trailer or semi-trailer has been revoked by the registrar according to provisions of this section, such vehicle shall not be again operated on the highways of the state until it is registered or re-registered, as the case may be, and new plates issued, and the registration fee therefor shall be the annual tax for the total gross weight of the vehicle at the time of violation. *The re-registration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to sections 168.181 or 168.187 shall be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state."*

Pages 4 to 8, delete section 3

Page 10, line 3, strike "five" and insert "ten"

Page 10, line 6, after the period, insert "*When the scale is privately owned, the police officer must obtain permission from the owner or operator of the scale before it is used for weighing operations.*"

Page 11, delete section 7

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for the re-registration of certain motor vehicles; exempting certain vehicles from certain weight limitations; providing for the enforcement of weight limitations and providing penalties; amending Minnesota Statutes 1978, Sections 169.03, Subdivision 6; 169.832, Subdivision 2, and by adding a subdivision; 169.85; and Minnesota Statutes, 1979 Supplement, Section 168.013, Subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 1940: A bill for an act relating to transportation; requiring the consent of municipalities for certain trunk highway improvements; authorizing the commissioner of transportation to convey or otherwise dispose of certain lands no longer needed for trunk highway purposes; authorizing the commissioner to lease airspace above and subsurface areas below trunk highway right-of-way; adding new routes to the trunk highway system, and adding new routes in substitution of existing routes; providing for the designation of handicapped parking spaces; authorizing leaves of absence for certain employees under certain conditions; modifying the procedures for approval of plats which include lands abutting trunk highways; amending Minnesota Statutes 1978, Sections 161.172; 161.23, Subdivision 2; 161.43; 161.433, Subdivision 1; 161.44, Subdivision 1; 169.346, Subdivision 2; 174.03, by adding a subdivision; and 505.03, Subdivision 2; repealing Minnesota Statutes 1978, Section 163.07, Subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 24, insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 116I.01, Subdivision 2, is amended to read:

Subd. 2. "Construction" means any clearing of land, excavation, or other action that would adversely affect the natural environment of a pipeline route but does not include changes needed for temporary use of a route for purposes other than installation of a pipeline, for securing survey or geological data, or for the repair or replacement of an existing pipeline within the existing right-of-way, or for the minor relocation of less than three-quarters of a mile of an existing pipeline.

Sec. 2. Minnesota Statutes 1978, Section 160.27, Subdivision 5, is amended to read:

Subd. 5. [MISDEMEANORS.] Except for the actions of the road authorities, their agents, employees, contractors, and utilities in carrying out their duties imposed by law or contract, and except as herein provided, it shall be unlawful to:

(1) Obstruct any highway or deposit snow or ice thereon;

(2) Plow or perform any other detrimental operation within the road right of way except in the preparation of the land for planting a perennial hay crop, and the harvesting of said crop;

(3) Erect a fence on the right of way of a trunk highway, county state-aid highway or county highway, except to erect a lane fence to the ends of a livestock pass;

(4) Dig any holes in any highway;

(5) Remove any earth, gravel or rock from any highway;

(6) Obstruct any ditch draining any highway or drain any noisome materials into any ditch;

(7) Place or maintain any building or structure within the limits of any highway;

(8) Place or maintain any advertisement within the limits of any highway;

(9) Paint, print, place, or affix any advertisement or any object within the limits of any highway;

(10) Deface, mar, damage, or tamper with any structure, work, material, equipment, tools, signs, markers, signals, paving, guard-rails, drain, or any other highway appurtenance on or along any highway;

(11) Remove, injure, displace, or destroy right of way markers, or reference or witness monuments, or markers placed to preserve section or quarter section corners;

(12) Improperly place or fail to place warning signs and detour signs as provided by law;

(13) Drive over, through, or around any barricade, fence, or obstruction erected for the purpose of preventing traffic from passing over a portion of a highway closed to public travel or to remove, deface, or damage any such barricade, fence, or obstruction.

Violations hereof shall be prosecuted by the county attorney of the county where the violations occur. Any person convicted of such violations shall be guilty of a misdemeanor."

Page 2, after line 19, insert:

*"Route No. 278. Beginning at a point on Route No. 105 at or near the westerly limits of Minneapolis; thence extending in a generally easterly direction on or near Lowry Avenue in Minneapolis to a point on Route No. 110."*

Page 2, line 21, delete "and 264" and insert ", 264 and 278"

Page 2, line 23, delete "and 264" and insert ", 264 and 278"

Page 2, after line 30, insert:

"Sec. 5. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 327.] *Route No. 327 described in Minnesota Statutes 1978, Section 161.115, is discontinued and removed from the*

*trunk highway system. The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes shall delete Route No. 327."*

Page 6, after line 17, insert:

"Sec. 11. Minnesota Statutes 1978, Section 161.51, is amended to read:

161.51 [FEDERAL-STATE SAFETY ACCOUNT.] There is established within the trunk highway fund a federal-state safety account. The commissioner of transportation may transfer the unobligated balance of any direct appropriation to the department of transportation for administrative operations, maintenance, highway development support, research and standards, state aid administration, or planning and programming, into this account if needed to advance state money for approved federal highway safety projects. The commissioner may receive money from state or local governmental agencies to be used for projects under the federal highway safety program. All federal reimbursement shall be deposited in the state treasury and are appropriated to the federal-state safety account to be available until the end of the fiscal biennium during which they are received expended.

Sec. 12. Minnesota Statutes 1978, Section 169.305, Subdivision 1, is amended to read:

169.305 [CONTROLLED ACCESS REGULATIONS AND PENALTIES.] Subdivision 1. (a) No person shall drive a vehicle onto or from any controlled access highway except at such entrances and exits as are established by public authority.

(b) When special crossovers between the main roadways of a controlled access highway are provided for emergency vehicles or maintenance equipment and such crossovers are signed to prohibit "U" turns, it shall be unlawful for any vehicle, except an emergency vehicle or maintenance equipment, or construction equipment including contractor's and state owned equipment when operating within a marked construction zone, to use such crossover. For the purposes of this clause "emergency vehicle" includes a wrecker if it is on the way to the location of an accident or a disabled vehicle.

(c) The commissioner of transportation may by order, and any public authority may by ordinance, with respect to any controlled access highway under their jurisdictions prohibit or regulate the use of any highway by pedestrians, bicycles, or other nonmotorized traffic, or by motorized bicycles, or by any class or kind of traffic which is found to be incompatible with the normal and safe flow of traffic.

(d) The commissioner of transportation or the public authority adopting any such prohibitory regulations shall erect and maintain official signs on the controlled access highway on which such regulations are applicable and when so erected no person shall disobey the restrictions stated on such signs.

Sec. 13. Minnesota Statutes 1978, Section 169.42, Subdivision 1, is amended to read:

169.42 [LITTERING OR PLACING REFUSE UPON HIGHWAYS OR ADJACENT LANDS, PRIVATE PROPERTY, PARKS OR PUBLIC PLACE; DROPPING OBJECTS ON VEHICLES.] Subdivision 1. No person shall throw, deposit, place or dump, or cause to be thrown, deposited, placed or dumped upon any street or highway or upon public or privately owned land adjacent thereto without the owner's consent any snow, ice, glass bottle, glass, nails, tacks, wire, cans, garbage, swill, papers, ashes, refuse, carcass of any dead animal, offal, trash or rubbish or any other form of offensive matter or any other substance likely to injure any person, animal or vehicle upon any such street or highway."

Pages 6 and 7, delete sections 8 and 9

Page 8, delete section 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "providing for the" and insert "discontinuing and removing Route No. 327 from the trunk highway system; permitting certain equipment to use crossovers between the main line roadways of controlled access highways when operating within a marked construction zone; modifying the availability of federal reimbursements deposited in the state treasury and appropriated to the federal-state safety account; prohibiting depositing snow or ice on a highway; excluding minor relocations of pipelines caused by highway construction from the definition of construction;"

Page 1, delete lines 12 and 13

Page 1, line 14, delete "employees under certain conditions;"

Page 1, line 17, after "Sections" insert "160.27, Subdivision 5;"

Page 1, lines 19 and 20, delete "169.346, Subdivision 2; 174.03, by adding a subdivision;" and insert "161.51; 169.305, Subdivision 1; 169.42, Subdivision 1;"

Page 1, line 21, after "Subdivision 2;" insert "and Minnesota Statutes, 1979 Supplement, Section 1161.01, Subdivision 2."

Page 1 lines 21 and 22, delete "repealing Minnesota Statutes 1978, Section 163.07, Subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

H. F. No. 1781: A bill for an act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain powers and duties to school districts, the commissioner of education, the department of education and

others; aid for education of pupils of limited English proficiency; requiring the establishment of local policies to minimize chemical use problems; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 121.88, by adding a subdivision; 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 122.531, by adding subdivisions; 123.11, Subdivision 7; 123.36, by adding a subdivision; 123.39, Subdivision 3; 123.932, Subdivision 9, and by adding a subdivision; 124.20; 124.214, Subdivision 2; 124.572, Subdivision 7; 126.07; 126.36, Subdivision 3; 126.52, Subdivision 5, and by adding a subdivision; 126.54, Subdivisions 5 and 6; 127.09; 127.11; 127.21; 134.03; 134.08; 275.125, Subdivisions 5 and 5a; 354.05, Subdivision 2; Chapter 124, by adding a section; Chapter 125, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 120.075, Subdivision 4, and by adding a subdivision; 121.912, Subdivision 1; 122.541, Subdivision 5; 123.35, Subdivision 15; 124.01; 124.11, Subdivisions 2a and 2b, and by adding a subdivision; 124.19, Subdivision 4; 124.212, Subdivision 7d; 124.223; 124.225; 124.245, Subdivisions 1 and 2; 124.247, Subdivisions 3 and 4; 126.54, Subdivision 1; 124.561, Subdivision 3a; 124.562, Subdivisions 2, 3 and 4; 124.5621, Subdivision 11; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 6; 124.566; 124.572, Subdivision 2; 276.125, Subdivisions 2a, 2b, 7a, 7b, 11a and 20; 353.01, Subdivision 2b; 354A.011, Subdivision 27; 465.72: Laws 1979, Chapter 69, Sections 2 and 5; Chapter 334, Article VI, Section 35, Subdivision 9; Article VIII, Section 29; repealing Minnesota Statutes 1978, Sections 122.531, Subdivision 3; 125.61, as amended; 126.31 to 126.35; 126.36, Subdivisions 5 and 6; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8 and 9; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6 and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6 and 7; 127.22; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 29.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE I FOUNDATION AID

Section. 1. Minnesota Statutes 1978, Section 124.214, Subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such changed valuations, the county auditor shall, prior to February 1 of each year, beginning in 1979, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the

school district during the preceding year. In August of each year, beginning in 1979, when the district's net revenue loss during the preceding year exceeds \$1 per pupil unit in the district in the most recent school year for which data is available, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, subdivision 2a, clause (1) or (2), subdivision 5, and subdivision 13, to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 124.224, Subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] This section shall expire June 30, 1980 with the final 1980 payment pursuant to subdivision 7.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 7a, is amended to read:

Subd. 7a. (1) In 1979 each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), (2), and (4); 6b; and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one-half mill times the district's 1978 adjusted assessed valuation or (b) the product obtained by multiplying \$27.50 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the 1979-1980 school year.

(2) In 1980 and each year thereafter, each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), and (2) and (4); 6b; and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one mill times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (i) the ratio of the equalizing factor to 1.000, times (ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the school year when the levy is certified.

(3) By August 4 before a district certifies any levy pursuant to this subdivision in 1979, or By the July 1 before a district certifies any levy pursuant to this subdivision in 1980, in any even-numbered year thereafter, or in any odd-numbered year thereafter when the district has not certified a levy pursuant to this subdivision in the preceding year, the board of the district shall hold a public hearing on the need for the proposed levy pursuant to this subdivision. At least three weeks published notice of the hearing in 10 point type, on 12 point body, 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 the proposed levy in dollars and mills, the net unappropriated fund balance in the district's operating funds as of the June 30 before the levy is certified, and the tax impact of the proposed levy on homesteads with market values of \$30,000 and \$50,000. At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and the net unappropriated fund balances in all district funds as of the June 30 before the levy is certified, and the board shall hear all parties requesting to give testimony for and against the proposed levy. Upon petition within 20 days after the hearing of five percent of the number of voters who voted in the district at the preceding statewide general election, the board shall call a referendum on a reduction of the proposed levy. The petition shall state the number of mills on the district's adjusted assessed valuation by which it proposes to reduce the proposed levy. No petition or referendum shall provide for a reduction of a proposed levy pursuant to this subdivision to a rate less than one-half mill on the district's adjusted assessed valuation below the rate levied by the district pursuant to this subdivision in the preceding year. The referendum shall be held on a date set by the school board, but no later than September 20 in 1979 or the August 20 before the levy is certified in subsequent years. The question on the ballot shall state the maximum amount of the proposed levy; the amount of the proposed reduction of the levy; and the amount of the levy if the reduction is approved, in mills on the district's adjusted assessed valuation and in dollars in the first year of the proposed levy. The district may levy the amount provided by the millage proposed by the school board, reduced by any reduction in millage approved at a referendum pursuant to this clause, applied to the preceding year's adjusted assessed valuation until the next even-numbered year. The district is not required to hold a public hearing or call a referendum on a levy pursuant to this subdivision in any odd-numbered year after 1979 which succeeds a year in which a levy is certified pursuant to this subdivision.

**Sec. 4. [DEFICIENCY APPROPRIATION; 1979 SUMMER SCHOOL.]** *The sum of \$685,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for the payment of a deficiency in funds available for the payment of foundation aid for 1979 summer school programs. This appropriation shall be added to the amount appropriated and allocated for aid for foundation aid for 1979 summer school programs in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 3.*

**Sec. 5. [DEFICIENCY APPROPRIATION; SPARSITY AID.]**  
**Subdivision 1.** *The sum of \$30,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for a deficiency in funds available for the payment of sparsity aid. This appropriation shall be added to the amount appropriated for sparsity aid in Laws 1979, Chapter 334, Article 1, Section 28, Subdivision 4.*

**Subd. 2.** *The sum of \$6,000 is appropriated from the general fund to the department of education for the year ending June 30,*

1981, for a deficiency in funds available for the payment of sparsity aid. This appropriation shall be added to the amount appropriated for sparsity aid in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 4.

**Sec. 6. [DEFICIENCY APPROPRIATION; SCHOOL LUNCH.] Subdivision 1. [1980.]** The sum of \$160,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for the payment of the deficiency in funds available for school lunch aid in that year, pursuant to section 124.646. This appropriation shall be added to the sum appropriated for fiscal year 1980 in Laws 1979, Chapter 334, Article VI, Section 35, Subdivision 8.

**Subd. 2. [1981.]** The sum of \$160,000 is appropriated from the general fund to the department of education for the year ending June 30, 1981, for the payment of the deficiency in funds available for school lunch aid in that year, pursuant to section 124.646. This appropriation shall be added to the sum appropriated for fiscal year 1981 in Laws 1979, Chapter 334, Article VI, Section 35, Subdivision 8.

**Sec. 7. [RETROACTIVE EFFECTIVE DATE.]** Section 1 of this article is effective retroactive to August 1, 1979.

**Sec. 8. [EFFECTIVE DATE.]** Sections 3, 4, 5 and 6 of this article are effective the day following final enactment.

## ARTICLE II

### TRANSPORTATION

Section 1. Minnesota Statutes, 1979 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) 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 private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

(2) 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) 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) 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 during the school day to other buildings 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 one mile requirement for aid provided in clause (1) ;*

(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) 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) Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) Services described in clauses (1) to (7) and ~~clause~~ *clauses (9) and (10)* when provided in conjunction with a state board approved summer school program;

(9) 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) 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. 2. Minnesota Statutes, 1979 Supplement, Section 124.225, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.] Subdivision 1. 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 shall be considered one region, development regions 4 and 5 shall be considered one region, development regions 6E and 6W shall be considered one region, and development regions 7E and 7W shall be considered one region.

(c) "Total authorized cost" or "total authorized expenditure" means the sum of:

(i) all expenditures for transportation for which aid is authorized in section 124.223, plus

(ii) 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 12½ percent per year of the cost of the fleet, plus

(iii) 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 33⅓ percent per year of the cost to the district of the reconditioning.

~~(e)~~ (d) "Total authorized predicted cost" means the total authorized cost predicted by a *linear multiple* regression formula determined by the department of education.

~~(d)~~ (e) For the 1979-1980 school year, "regular and summer school authorized FTE's transported" means full time equivalent pupils transported under section 124.223, clause (1), during the regular school year and in conjunction with a state board approved summer school program.

(f) "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) 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) Secondary vocational center transportation is transportation services provided under section 124.223, clause (3);

(iii) Handicapped transportation is transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(iv) 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) 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) *Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);*

(g) *"Pupil weighting factor" means the ratio of the actual regional average cost per FTE in a particular transportation category to the actual regional average cost per FTE in the regular transportation category.*

(h) *"Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.*

(i) *"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 may be a neutral site as defined in section 123.932, subdivision 9.*

*Subd. 1a. In computing transportation aid for each school year, the department of education shall establish the pupil weighting factors for each transportation category for each region 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 had no experience during the second prior school year.*

*Subd. 2. For the 1979-1980 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 linear regression formula shall be determined for each planning region by the department of education, using the terms specified in subdivision 4, to maximize the amount of variance accounted for between the total actual authorized cost per FTE for the 1977-1978 school year and the total authorized predicted cost per FTE for the 1977-1978 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per FTE for the 1977-1978 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 5 and 7. The linear regression formulas shall be determined so that the total transportation aid for the 1979-1980 school year does not exceed the amount appropriated for transportation aid for the 1979-1980 school year.*

*Subd. 3. For the 1980-1981 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 linear multiple regression formula shall be determined through stepwise multiple regression analysis for each planning region by the department of education, using the terms specified in subdivision 4 4a, to maximize the amount of variance accounted for between the total*

actual authorized cost per *weighted FTE* for the 1978-1979 school year and the total authorized predicted cost per *weighted FTE* for the 1978-1979 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per *weighted FTE* for the 1978-1979 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 6 and 7 7a. The linear regression formulas shall be determined so that the total transportation aid for all districts for the 1980-1981 school year does not exceed the amount appropriated for transportation aid for the 1980-1981 school year.

Subd. 4. To predict the natural logarithm of the total authorized cost per FTE transported authorized by law for the 1979-1980 school year, the linear regression formula shall use the following terms and all their cross products:

(1) The natural logarithm of the quotient of 1.00 divided by the total number of authorized FTE's transported;

(2) The natural logarithm of the sum of 100 plus the difference between the average of the square roots computed for all districts in the state of the number of regular and summer school authorized FTE's transported per square mile minus the square root of the number of regular and summer school authorized FTE's transported per square mile in the district;

(3) The natural logarithm of the ratio of the number of regular and summer school authorized FTE's transported to the district's total average daily membership;

(4) The natural logarithm of the number of regular and summer school authorized FTE's transported per square mile;

(5) The natural logarithm of the district's average daily membership;

(6) The natural logarithm of the size of the district measured in square miles; and

(7) The natural logarithm of the total number of FTE's transported by the district authorized for aid pursuant to section 124.-223 minus the number of regular and summer school authorized FTE's transported.

Subd. 4a. To predict the total authorized cost per *weighted FTE* for each district beginning in the 1980-1981 school year, each regional multiple regression formula shall use the following terms and their squares for each district in the region:

(1) The area of the district measured in square miles;

(2) 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) 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) The percentage of the district's square mile area which is classified by the state planning agency as water-covered or marshland;*

*(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 state planning agency;*

*(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.*

Subd. 5. The total authorized predicted cost per FTE determined for a district under subdivision 2 for 1977-1978 shall be increased by 17 26 percent.

Subd. 6. The total authorized predicted cost per *weighted* FTE determined for a district under subdivision 3 for 1978-1979 shall be increased by 17 28 percent.

Subd. 7. (1) Each district's adjusted total authorized predicted cost per FTE determined for each *the* 1979-1980 school year according to subdivision 5 or 6 shall be compared to the total actual expenditure per FTE for authorized transportation for that district for that year to determine the district's aid entitlement per FTE for that year.

(2) *For the 1979-1980 school year*, if the adjusted total authorized predicted cost per FTE is greater than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted predicted cost per FTE minus 10 percent of the first \$10 of difference between the adjusted total authorized predicted cost per FTE and the actual expenditure per FTE; minus 20 percent of the next \$20; minus 40 percent of the next \$20; minus 60 percent of the next \$50; and minus 75 percent of the difference which exceeds \$100.

(3) *For the 1979-1980 school year*, if the adjusted total authorized predicted cost per FTE is less than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted total authorized predicted cost per FTE plus 10 percent of the first \$10 of difference between the adjusted predicted cost per FTE and the actual expenditure per FTE; plus 20 percent of the next \$20; plus 40 percent of the next \$20; plus 60 percent of the next \$50; and plus 75 percent of the difference which exceeds \$100.

(4) Notwithstanding clauses (2) and (3), for the 1979-1980 school year, no district's aid entitlement per FTE shall be less than its actual authorized expenditure per FTE minus \$20 or more than its actual authorized expenditure per FTE plus \$20.

*Subd. 7a. (1) Each district's adjusted total authorized predicted cost per weighted FTE determined for the 1980-1981 school year and each year thereafter according to subdivision 6 shall be compared to the total actual expenditure per weighted FTE for authorized transportation for that district for that year to determine the district's aid entitlement per weighted FTE for that year.*

*(2) 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 10 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 20 percent of the next \$20; 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 10 percent of the first \$10 of difference between the adjusted predicted cost per weighted FTE and the actual expenditure per weighted FTE; plus 20 percent of the next \$20; plus 75 percent of the difference which exceeds \$30.

Subd. 8. A district's aid pursuant to this section for each *the 1979-1980 school year* shall equal the district's aid entitlement per FTE determined according to subdivision 7 times the total number of authorized FTE's transported in the district in that 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 that school year.

*Subd. 8a. A district's aid pursuant to this section for the 1980-1981 school year and each year thereafter 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 times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.*

Subd. 9. Each district shall report 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. 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 of each year, 1980, each district shall provide the department with the information for the preceding 1979-1980 school year which the department determines is necessary to compute the district's actual authorized expenditure per FTE for purposes of the computation in subdivision 7 and the district's actual total number of FTE's transported for purposes of the aid computation in subdivision 8. *Before August 15, 1981, and each August 15 thereafter, 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 ~~that~~ *the* school year shall be based on these computations.

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 bus purchase transportation fund at least an amount equal to 12- $\frac{1}{2}$  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- $\frac{1}{3}$  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. 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 bus purchase transportation fund.

*Nothing in this subdivision shall permit a district to amortize the cost of a mobile unit purchased with funds received pursuant to section 9 of this article.*

*Subd. 11. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, 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.*

Sec. 3. Minnesota Statutes 1978, 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 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 annual cash payments to be made for the purchase of buses, or mobile units, as defined in section 2 of this article, or the reconditioning of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation the amount transferred to the district bus purchase fund pursuant to section 124.225, subdivision 10. Beginning with the levy certified in 1976, A district may 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. 4. Minnesota Statutes 1978, Section 275.125, Subdivision 5a, is amended to read:

Subd. 5a. Upon approval of the commissioner, a district may levy for increased transportation costs above the formula limitation resulting from changes in transportation patterns required by leasing a school in another district provided that the cost increases are estimated to be a direct result of leasing that school and the increases result in costs above the formula limitation. When the transportation patterns of a district change as a result of leasing a school in another district, the district may, upon approval of the commissioner, levy for any increase in transportation cost above the cost that would occur without the leasing of the school. The commissioner shall approve a specific dollar amount which may be levied because of these increased costs. The levy authorized by this subdivision may be computed on the basis of estimated increased costs. In the first year a district makes the levy authorized by this subdivision, the commissioner may

authorize a levy sufficient to pay for estimated increased costs resulting from leasing for two years. The amount provided by this levy shall not be included in the computation of the actual net operating cost per pupil transported in future years.

*Sec. 5. In accordance with section 648.34, in the next edition of Minnesota Statutes, the revisor of statutes shall renumber section 124.224 as section 124.2131 and alter references to it in the statutes to conform to the change.*

**Sec. 6. Laws 1979, Chapter 334, Article 2, Section 15, Subdivision 2, is amended to read:**

**Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:**

~~\$80,228,000~~ \$ 92,925,700 . . . 1980,

~~\$92,512,000~~ \$103,766,000 . . . 1981.

The appropriation for 1980 includes \$7,600,700 for aid for fiscal year 1979 payable in fiscal year 1980, and ~~\$81,627,300~~ \$85,325,000 for aid for fiscal year 1980 payable in fiscal year 1980.

The appropriation for 1981 includes ~~\$9,000,000~~ \$9,969,000 for aid for fiscal year 1980 payable in fiscal year 1981 and ~~\$83,512,000~~ \$93,797,000 for aid for fiscal year 1981 payable in fiscal year 1981.

**Sec. 7. Laws 1979, Chapter 334, Article 2, Section 15, Subdivision 3, is amended to read:**

**Subd. 3.** Any unexpended balance remaining from the appropriation in this section for 1980 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 appropriated amount attributable to either year for any purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts. The state shall not be obligated for any amount in excess of the appropriations in this section for those purposes.*

**Sec. 8. Subdivision 1.** *There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development regions 1 and 2 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.*

**Subd. 2.** *There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development regions 6 and 8 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.*

*Subd. 3. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development region 4 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.*

*Subd. 4. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development region 10 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services.*

*Subd. 5. The appropriations in this section are available until June 30, 1981.*

*Sec. 9. [MOBILE UNITS.] Subdivision 1. For purposes of this section, "mobile unit" has the meaning given it in section 2 of this article.*

*Subd. 2. Notwithstanding section 124.212, subdivision 9b, or any other section, for the 1980-1981 school year the commissioner of education shall make grants to ten school districts for the experimental use of mobile units to provide any of the following programs and services to public and nonpublic school pupils: diagnostic testing, health services, as defined in section 123.932, subdivision 11, and guidance and counseling services, as defined in section 123.932, subdivision 10, both in accordance with the provisions of section 123.935; and special instruction and services for handicapped children, as defined in section 120.03. Any pupil support service which a district offers through the mobile unit pursuant to this subdivision to public school pupils it shall also offer through the mobile unit to nonpublic school pupils who have requested the services pursuant to section 123.935.*

*Subd. 3. A district may use the grant funds to purchase or rent a mobile unit, to remodel, equip and operate it, and to pay for any costs incurred in providing the authorized programs and services; except that the district may not use the grant funds to pay the salaries of the professional instructional staff who work in the mobile unit.*

*Subd. 4. The commissioner shall prescribe the form, manner and time of application for the grants and shall select the participating school districts.*

*Subd. 5. The programs and services authorized by subdivision 2 shall be provided by public employees at neutral sites as defined in section 123.932, subdivision 9. The programs and services provided to nonpublic school pupils shall be limited to those for which the district provides equivalents, through the mobile unit program or otherwise, to public school pupils. The amount a district spends through the mobile unit program and otherwise for a program or service to nonpublic school pupils shall be no greater on a per pupil*

*basis than the amount it spends through the mobile unit program and otherwise for the equivalent program or service for public school pupils.*

*Subd. 6. A district receiving a grant shall report to the commissioner of education by August 1, 1982 on the effectiveness of the mobile unit program in the district. The commissioner shall report to the education committees of the legislature on the effectiveness of the program by December 1, 1982.*

*Sec. 10. Notwithstanding section 123.937, the funds to pay for the grant program established pursuant to section 9 of this article shall be taken from the appropriation made pursuant to section 123.937 for the fiscal year ending June 30, 1981.*

*Sec. 11. Subdivision 1. Before February 1, 1981, the department of education shall report to the appropriate committees of the legislature on proposed measures for economy and cost effectiveness in school transportation and related services. The report shall include a study of the existing administration of transportation services based on a sampling of school districts of representative sizes and locations, and other data throughout the state. The report shall also include recommendations by the department on the following:*

*(1) Measures by districts to reduce fuel costs, conserve fuel and increase the overall efficiency of transportation and related services;*

*(2) Adjustments to the transportation aid entitlement formula; and*

*(3) Measures by the department of education which will assist districts in reducing their costs for transportation and related services.*

*Subd. 2. After February 1, 1981, the department of education shall provide technical assistance to school districts which request it for developing computer assisted bus routing plans.*

*Subd. 3. The department of education may increase its staff complement by two professional employees and one clerical employee for the purposes of subdivisions 1 and 2. The department may also contract with consultants or employ necessary temporary personnel for the purposes of subdivision 1.*

*Sec. 12. There is appropriated from the general fund to the department of education the sum of \$150,000 for the purposes of section 11 of this article. This appropriation is available until June 30, 1981.*

*Sec. 13. [REPEALER.] Minnesota Statutes, 1979 Supplement, Section 124.222, Subdivision 3, is repealed.*

*Sec. 14. [EFFECTIVE DATE.] This article is effective the day following final enactment.*

**ARTICLE III**  
**SPECIAL EDUCATION**

**Section 1. Minnesota Statutes 1978, Section 120.17, Subdivision 1, is amended to read:**

**120.17 [HANDICAPPED CHILDREN.] Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.]**

**(1) Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03.**

**(2)(a) For the 1980-1981 and 1981-1982 school years, school age means the ages of four years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent. The department of education shall, in cooperation with the department of health and the department of welfare, design a statewide plan and conduct a statewide assessment of the special education and related service needs of all handicapped children younger than four years of age as of September 1, 1980. The statewide plan shall provide for a comprehensive delivery system to be implemented through inter-agency cooperation. The procedures for the needs assessment shall be designed by September 1, 1980, and be implemented during the 1980-81 school year. During the 1981-82 school year, every district shall, using the statewide comprehensive delivery system plan formulated by the department of education in cooperation with the department of health and the department of welfare, prepare an estimate of the number of students it shall serve, pursuant to clauses (b), (c), (d), and (e). The estimate shall be transmitted to the department of education on forms provided by the department before September 1, 1981. The estimate shall be updated annually through 1985. The updated estimate shall be transmitted to the department of education before September 1 of each year.**

**(b) For the 1982-1983 school year, school age means the ages of three years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.**

**(c) For the 1983-1984 school year, school age means the ages of two years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.**

**(d) For the 1984-1985 school year, school age means the ages of one year to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.**

**(e) For the 1985-1986 school year and thereafter, school age means from birth to 21 years for children who are handicapped as**

*defined in section 120.03 and shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be his age as of September 1 of the calendar year in which the school year for which he seeks special instruction and services commences.*

*(3) Every district may provide special instruction and services for handicapped children who have not attained school age. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full sequence of programs for education, training and services for handicapped children as defined in section 120.03. In complying with clause (2), (b), (c), (d) and (e) of this subdivision, districts shall cooperate with head start programs, developmental achievement centers and other existing programs which provide services for handicapped children below age four to provide a full sequence of programs for education, training and services for those children.*

Sec. 2. Minnesota Statutes 1978, Section 124.48, is amended to read:

124.48 [INDIAN SCHOLARSHIPS.] The state board may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry and who, in the opinion of the board, has the capabilities to benefit from education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools or in accredited or approved college preparatory schools. Scholarships shall be used to defray tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The amount and type of each such scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year he is eligible for additional scholarships, if additional training is necessary to reach his educational and vocational objective. Scholarships may not be given to any Indian student for more than four years of study.

*A scholarship for college preparatory school may not be given to any Indian student for more than four years of study. A scholarship for advanced or specialized education in college, business, technical or vocational schools may not be given to any Indian student for more than four years of study.*

*For the purposes of this subdivision, an accredited or approved college preparatory school is a private secondary school which (1) is fully accredited by either the North Central Association of Secondary Schools and Colleges or the Independent Schools Association of the Central States, (2) is making satisfactory progress toward full accreditation by either the North Central Association of Secondary Schools and Colleges or the Independent Schools Association of the Central States, or (3) is determined by the*

board to maintain programs and standards substantially equivalent to those institutions in Minnesota which are fully accredited.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 126.54, Subdivision 1, is amended to read:

126.54 [PILOT PROGRAMS.] Subdivision 1. [GRANTS; PROCEDURES.] For fiscal years 1978, 1979, and 1980, as part of the needs assessment effort year 1981, the state board of education shall make grants to no fewer than six school year pilot American Indian language and culture education programs. At least three pilot programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or group of boards may develop a proposal for grants in support of pilot American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 4. [PROGRAM FOR PUPILS OF LIMITED ENGLISH PROFICIENCY.] Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Pupil of limited English proficiency" means a pupil in any of grades kindergarten through 12 who meets the following requirements:

(i) the pupil, as declared by his parent or guardian either (A) first learned a language other than English; or (B) comes from a home where the language usually spoken is other than English; or (C) usually speaks a language other than English; and

(ii) the pupil's score is significantly below the average district score for pupils of the same age on a nationally normed English reading or English language arts achievement test. A pupil's score shall be considered significantly below the average district score for pupils of the same age if it is one-third a standard deviation below that average score.

(b) "Essential instructional personnel" means the following for an English as a second language program:

(i) a teacher with an emergency exemption from a license requirement pursuant to subdivision 7, who is employed in the district's English as a second language program; and

(ii) any teacher licensed by the state, provided that the district assures the department that the teacher will obtain the inservice training the department considers necessary to enable the teacher to provide appropriate service to pupils of limited English proficiency.

(c) "Essential instructional personnel" means the following for a bilingual education program:

(i) A licensed teacher who demonstrates competency in the primary language of the pupil being served;

(ii) A person exempt from a licensure requirement for bilingual education pursuant to section 126.36, subdivision 5.

(d) "English as a second language program" means a program for the instruction of pupils of limited English proficiency in the following English language skills: reading, writing, listening and speaking.

(e) "Bilingual education" means an educational program in which instruction is given in both English and the primary language of the pupil of limited English proficiency to the extent necessary to allow the pupil to progress effectively through the educational system and to attain the basic English skills of reading, writing, listening and speaking so that the pupil will be able to perform ordinary classwork successfully in English.

Subd. 2. [AID AUTHORIZATION.] In the 1980-1981 school year the department of education shall reimburse a school district in an amount not exceeding 45 percent of the salaries paid to essential instructional personnel employed by the district in its English as a second language program or its bilingual education program for pupils of limited English proficiency. The department shall reimburse a district for no more than 45 percent of the salary of one full time equivalent teacher for each 50 pupils of limited English proficiency, or a pro rata amount thereof for fewer than 50 pupils. Notwithstanding the foregoing, the department shall pay an amount not exceeding 45 percent of the salary for one-third of a full time equivalent position for a district which has 15 or fewer pupils of limited English proficiency.

Subd. 3. [APPLICATIONS.] A district that wants to receive aid pursuant to this section for programs to serve pupils enrolled before the application deadline shall apply to the commissioner of education before September 15, 1980, in the manner prescribed by the commissioner. The application shall include the number of pupils to be served in the English as a second language program or the bilingual education program, the number of essential instructional personnel the district proposes to employ in its English as a second language program or its bilingual education program and any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section, and districts which have fewer than 50 pupils of limited English proficiency are encouraged to submit joint applications and to share essential instructional personnel for English as a second language programs or bilingual education programs. A district that wants to receive aid pursuant to this section for programs to serve pupils enrolled after the application deadline may apply to the commissioner of education at any time before the end of the school year in the manner prescribed by the commissioner.

**Subd. 4. [NOTICE OF AID; PAYMENTS.]** *The department shall inform each applicant district of the amount of aid it will receive pursuant to this section by October 15 for applications received before September 15, 1980, and it shall pay this aid by December 1. For districts submitting an application after September 15, 1980, the department shall inform the applicant district of the amount of aid it will receive pursuant to this section within a month after the application is submitted, and the department shall pay the aid within 15 days after notifying the district that it will receive aid.*

**Subd. 5. [RECORDS; AUDITS.]** *A district which applies for aid pursuant to this section shall maintain records which support the information contained in its application. The commissioner of education may audit the records upon request.*

**Subd. 6. [NOTICE TO PARENTS.]** *A district which enrolls a pupil in a program for which it receives reimbursement for the salaries of the essential licensed personnel for the program pursuant to this section shall inform the parent or guardian of a pupil enrolled in the English as a second language program or the bilingual education program that their child has been enrolled in that program and shall provide the parent or guardian with a nontechnical description of the purposes, method and content of the program. The notice shall be in writing and in both English and the primary language of the parent or guardian. The department of education shall, at the request of a school district, prepare the notice in the primary language of the parent or guardian.*

**Subd. 7. [EXEMPTION FROM LICENSURE.]** *A school board may be exempted from the licensure requirement in the hiring of an English as a second language teacher for the 1980-1981 school year if compliance would, in the opinion of the commissioner of education, create a hardship in the district in the securing of teachers. The commissioner shall notify the board of teaching of any exemptions granted pursuant to this subdivision.*

**Subd. 8. [FUNDS FROM OTHER SOURCES.]** *A school district providing bilingual education programs or English as a second language programs pursuant to this section shall be eligible to receive funds for these programs from other government agencies and from private sources when funds are available.*

**Sec. 5. [DEPARTMENT OF EDUCATION STAFF COMPLEMENT.]** *In order to carry out its duties pursuant to section 4 of this article, the department of education may add two professional positions and one clerical position with state funds. In addition, if the department receives funds for that purpose pursuant to Title IV of the Civil Rights Act of 1964 (P.L. 88-352), as amended, or Title VII of the Elementary and Secondary Education Act of 1965 (P.L. 89-10), as amended, the department may add two professional positions and one clerical position and pay the salaries for the positions from the federal funds.*

**Sec. 6. Minnesota Statutes 1978, Section 120.095, Subdivision 6,** is amended to read:

Subd. 6. The school census shall include an enumeration of children of limited English speaking ability residing within the district by primary language, ~~race and national origin~~. In making this census the school board shall seek the assistance and cooperation of agencies, organizations or community groups, public or private, which might have information about students of limited English speaking ability proficiency residing in the school district. As used in this subdivision, the following terms have the meanings given them:

(a) "Children of limited English speaking ability proficiency" means children whose primary language is other than English or who come from home environments where the primary language is other than English and by reason thereof, have difficulty reading, writing, speaking and understanding ordinary classroom instruction and have difficulty in performing ordinary classwork in the English language; and

(b) "Primary language" shall have the meanings ascribed to them in section 126.34 means a language other than English which is the language normally used by the child or the language which is spoken in the child's home environment.

Sec. 7. Minnesota Statutes 1978, Section 120.10, Subdivision 2, is amended to read:

Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must be one: (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 program of instruction for children of limited English speaking ability proficiency, instruction and textbooks may be in the primary language of the children of limited English speaking ability 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 speaking ability proficiency" and "primary language" shall have the meanings ascribed to them in section 126.34 5.

Sec. 8. Minnesota Statutes 1978, Section 126.07, is amended to read:

126.07 [INSTRUCTION. USE OF ENGLISH LANGUAGE.] The books used and the instruction given in public schools shall be in the English language, but any other language may be used by teachers in explaining to pupils who understand such language the meaning of English words; provided that in the case of a program for children of limited English speaking ability proficiency, instructions and books may be in the primary language of the children of limited English speaking ability proficiency. As used in this section, the terms "children of limited English speaking ability proficiency" and "primary language" shall have the meanings ascribed to them in section 126.34 4 of this article. In second-

ary and elementary schools other languages may be taught, when made a part of a regular or optional course of study.

**Sec. 9. [POLICY AND PROCEDURES FOR MINIMIZING STUDENT CHEMICAL USE PROBLEMS.]** *Subdivision 1. During the 1980-1981 school year each school board may develop a comprehensive policy and procedures to minimize chemical use problems among pupils in grades kindergarten through twelve.*

*Subd. 2. To develop the policy and procedures required by subdivision 1, each school board may do the following:*

*(a) assess the magnitude of the chemical use problem as it affects pupils in the district in grades kindergarten through twelve;*

*(b) identify and evaluate existing policies and programs in the schools of the district for minimizing chemical use problems;*

*(c) assess the needs of pupils in grades kindergarten through twelve for additional chemical abuse prevention, intervention, and referral programs and for support programs for pupils who have or have had chemical abuse problems;*

*(d) define the role of the school in minimizing chemical use problems among pupils;*

*(e) identify public and private community resources available to assist the school in minimizing chemical use problems among pupils in the district;*

*(f) study the feasibility of cooperative efforts among the school district and public and private agencies, including law enforcement agencies, to minimize chemical use problems among pupils;*

*(g) examine research studies for assistance in formulating the policies and procedures required pursuant to subdivision 1;*

*(h) assess school district staff training needs for the program to minimize chemical use problems among pupils;*

*(i) evaluate the need for parent chemical abuse awareness programs;*

*(j) consult with health officials and providers of chemical use treatment and rehabilitation services; and*

*(k) take any other action the school board deems appropriate to develop the policy and procedures required by subdivision 1.*

*Subd. 3. The school board may appoint an advisory task force to assist the board in developing the policies and procedures required by subdivision 1.*

*Subd. 4. The department of education in cooperation with the department of welfare and the commissioner of health shall develop comprehensive community approaches to support school district efforts to reduce chemical use problems among pupils. The department of education shall provide technical assistance to school boards which request the assistance of the department in performing the duties imposed by this section.*

**Sec. 10. [INSERVICE TRAINING.] [CHEMICAL USE PROBLEMS.]** *Subdivision 1. Each school district which submits a written plan describing the policies and procedures required by section 9 of this article to the department of education on or before February 1, 1981 shall be eligible to participate in an inservice training program for chemical use problems. The state shall pay the greater of \$1.00 per pupil in average daily membership, as defined in section 124.17, subdivision 2, or \$1,000 to each eligible school district for the inservice training of teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils in chemical use problems.*

*Subd. 2. The department of education shall advise eligible school districts on available options for inservice training of chemical use problems. The training shall assist teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils in helping pupils who are experiencing or have experienced chemical use problems.*

*Subd. 3. The department of education shall provide technical assistance to a school board which requests the assistance of the department in performing the duties encouraged by this section.*

**Sec. 11. [STAFF COMPLEMENT.]** *The department of education may increase its permanent staff complement by two professional positions for the purpose of providing the assistance in section 10, subdivision 3, of this article.*

**Sec. 12. [OUT OF SCHOOL YOUTH PROGRAM.]** *Subdivision 1. The state department of education shall develop recommendations to provide for a system for identifying and serving youth who have left the education system without appropriate societal, employability, and learning skills.*

*Subd. 2. The state department of education shall identify problems and alternative potential solutions relating to locating out of school youth and service their educational and employability needs. A report, which includes both alternative solutions and recommendations for legislation, shall be submitted to the legislature by February 2, 1981.*

*The state department of education shall also develop a system for facilitating cooperative action between the education system and the employment and training system in jointly addressing the needs of out of school youth. Linkages shall be developed and improved with the CETA system, the juvenile justice system, and appropriate community services agencies.*

**Sec. 13. [REPEALER.]** *Minnesota Statutes 1978, Sections 126.31; 126.32; 126.33; 126.34; 126.35; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7 and 11; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6, and 7; and Minnesota Statutes, 1979 Supplement, Sections 126.39, Subdivision 10; 126.40, Subdivision 3; and 126.41, Subdivision 1; 126.52, Subdivision 10, are repealed.*

**Sec. 14. [APPROPRIATIONS.]** *Subdivision 1. There is appropriated from the general fund to the department of education*

*the sums indicated in this section for the fiscal year ending June 30, 1981.*

*Subd. 2. [INDIAN SCHOLARSHIPS.] For the Indian scholarships for college preparatory students pursuant to section 2 of this article, there is appropriated \$40,000. The appropriation in this subdivision is available until expended.*

*Subd. 3. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For the pilot programs authorized pursuant to section 3 of this article there is appropriated \$600,000.*

*Subd. 4. [PROGRAMS FOR PUPILS OF LIMITED ENGLISH PROFICIENCY.] For the programs authorized pursuant to section 4 of this article, there is appropriated \$3,700,000. Of this amount, \$87,000 may be used to increase the staff complement in the department of education authorized in section 5 of this article. If the appropriation amount in this subdivision is insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any excess amount.*

*Subd. 5. [CHEMICAL USE PROBLEMS; NEEDS ASSESSMENT AND INSERVICE TRAINING.] For the programs authorized pursuant to sections 9, 10, and 11 of this article, there is appropriated \$1,000,000. Of this amount, \$100,000 is for the increase in the staff complement in the department of education authorized in section 11 of this article. If the appropriation amount in this subdivision is insufficient, the aid shall be prorated among all eligible districts and the state shall not be obligated for any excess amount.*

*Subd. 6. [OUT OF SCHOOL YOUTH PROGRAMS.] For the program authorized pursuant to section 12 of this article, there is appropriated \$33,000. Of this amount, \$3,000 is for statewide meetings and the establishment of a task force representing employment, training, education, juvenile justice, community service, parents and students.*

*Subd. 7. [INDIAN EDUCATION.] For certain Indian education programs there is appropriated \$399,600. The appropriation in this subdivision is available for expenditure with the approval of the governor after consultation with the legislative advisory commission in the manner provided in section 3.30. This appropriation shall be distributed as follows: \$125,000 to Independent School District No. 309, Pine Point school; provided that the commissioner of education receives a revised budget for the school on or before September 1, 1980; \$22,000 to Independent School District No. 166; \$35,000 to Independent School District No. 432; \$32,000 to Independent School District No. 435; \$96,000 to Independent School District No. 707; and \$89,600 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.*

*Subd. 8. [HANDICAPPED ADULTS.] The sum of \$75,000 is appropriated to the department of education for the council on*

*quality education to fund programs designed for adults and handicapped adults. The appropriation in this subdivision shall be added to the amount appropriated for venture fund grants for fiscal year 1981 by Laws 1979, Chapter 334, Article VII, Section 8, Subdivision 2.*

*Subd. 9. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.*

*Sec. 15. [EFFECTIVE DATE.] Section 14, Subdivision 8, of this article is effective the day following final enactment.*

## ARTICLE IV

### OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1978, Section 123.932, is amended by adding a subdivision to read:

*Subd. 1e. "Individualized instructional materials" means educational materials which:*

*(a) Are designed primarily for individual pupil use in a particular class or program in the school the pupil regularly attends;*

*(b) Are secular, neutral, nonideological and not capable of diversion for religious use; and*

*(c) Are available and are of benefit to Minnesota public school pupils.*

*Subject to the requirements in clauses (a), (b) and (c), "individualized instructional materials" include the following if they do not fall within the definition of "textbook" in subdivision 1b: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; film strips; prepared slides; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs and prerecorded film cartridges.*

*"Individualized instructional materials" do not include the following: chemicals; wall maps; wall charts; pencils, pens or crayons; notebooks; blackboards; chalk and erasers; duplicating fluids; paper; 16 mm films; unexposed films; blank tapes, cassettes or videotape and instructional equipment.*

Sec. 2. Minnesota Statutes 1978, Section 123.933, is amended to read:

**123.933 [PURCHASE OR LOAN OF TEXTBOOKS, INDIVIDUALIZED INSTRUCTIONAL MATERIALS, STANDARDIZED TESTS.]** Subdivision 1. The state board of education shall promulgate rules under the provisions of chapter 15, requiring that in each school year, based upon formal requests by or on behalf of nonpublic school pupils in a nonpublic school, the local districts

or intermediary service areas shall purchase or otherwise acquire textbooks, *individualized instructional materials* and standardized tests and loan or provide them for use by children enrolled in that nonpublic school. These textbooks, *individualized instructional materials* and standardized tests shall be loaned or provided free to the children for the school year for which requested. The loan or provision of the textbooks, *individualized instructional materials* and standardized tests shall be subject to rules prescribed by the state board of education.

Subd. 2. The title to textbooks, *individualized instructional materials* and standardized testing materials shall remain in the servicing school district or intermediary service area, and possession or custody may be granted or charged to administrators of the nonpublic school attended by the nonpublic school pupil or pupils to whom the textbooks, *individualized instructional materials* or standardized tests are loaned or provided.

Subd. 3. (a) The cost per pupil of the textbooks, *individualized instructional materials* and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil by the Minnesota public elementary and secondary schools for textbooks, *individualized instructional materials* and standardized tests as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

(b) *The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid per pupil unit, pursuant to section 124.212, from the second preceding school year to the current school year.*

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, *individualized instructional materials* and standardized tests for the pupils in each nonpublic school which. *The allotment shall not exceed the product of the statewide average expenditure per pupil, adjusted for inflation pursuant to clause (b) multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.*

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 123.937, is amended to read:

123.937 [APPROPRIATION.] There is appropriated annually to the department of education from the general fund of the state treasury the sum of \$3,250,000 for the purposes of sections 123.931 to 123.937. If this amount is not sufficient to make the payments required pursuant to sections 123.931 to 123.937, the amount necessary to make these payments is appropriated from the general fund to the department of education. *The amounts appropriated pursuant to this section for the year ending June 30, 1980 shall not cancel and shall be available for the second year of the biennium.*

Sec. 4. Minnesota Statutes 1978, Chapter 123, is amended by adding a section to read:

[123.947] [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.] (a) *The department of education shall assure that individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.*

(b) *Individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.*

(c) *Individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.*

(d) *The department of education or the servicing school district or the intermediate service area shall take adequate measures to ensure an accurate and periodic inventory of all individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provision of chapter 15 to terminate the eligibility of any nonpublic school pupil if the department or the servicing school district or intermediate service area determines, after notice and opportunity for hearing, that the individualized instructional materials have been used in a manner contrary to the provisions of section 1, 2 and 4 of this article or any rules promulgated by the state board of education.*

(e) *Nothing contained in section 1, 2 or 4 of this article shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.*

Sec. 5. [SEVERABILITY.] *If any provision of section 1, 2 or 4 of this article, including the loan of any particular type of individualized instructional material shall be declared invalid, the holding shall not affect the validity of a remaining provision or the loan of any other type of individualized instructional material. If a provision of sections 1, 2 or 4 of this article is invalid in one or more of its applications to a person or circumstance, the validity of the application of the provision to another person or circumstance shall not be affected.*

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 124.245, Subdivision 1, is amended to read:

124.245 [CAPITAL EXPENDITURE EQUALIZATION AID.] Subdivision 1. *The state shall pay a school district the difference by which an amount equal to ~~\$80~~ \$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, ~~\$85~~ \$95 per pupil unit in that school*

year, exceeds the amount raised by ~~ten seven~~ mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any year, a district must have levied the full ~~ten seven~~ EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 1a, is amended to read:

Subd. 1a. In fiscal year 1980, the state shall pay the greater of 75 cents per capita or \$5,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or the ~~maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1),~~ \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. In fiscal year 1981 and each year thereafter, the state shall pay the greater of 75 cents per capita or \$7,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or the ~~maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1)~~ \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

Sec. 9. Minnesota Statutes 1978, Section 134.03, is amended to read:

134.03 [TAX LEVY.] *Subdivision 1.* In cities of less than 2000 inhabitants not levying a tax for public library purposes, the school board may maintain a public library for the use of all residents of the district and provide ample and suitable rooms for its use in the school buildings or the district.

Upon a library being so established in any such school district, whose library building has been erected with funds acquired by gift or donation, the school board is empowered to appoint a library board of nine members, of which each member of the school board shall be a member ~~ex officio~~.

The remaining members of such library board shall be appointed by the school board, one of which remaining members shall hold office for one year, one for two years, and one for three years if the school board has only six members, from the first Saturday of September following their appointment; the term of office of each being specified in such appointment; annually thereafter, such school board shall appoint a member of the library board for the term of three years and until his successor shall qualify. Such school board may remove any member so appointed for misconduct

or neglect. Vacancies in such board shall be filled by appointment for the unexpired term. Members of such board shall receive no compensation for their services as such.

Immediately after appointment, such board shall organize by electing one of its members as president and one as secretary and from time to time it may appoint such other officers and employees as it deems necessary. The secretary, before entering upon his duties, shall give bond to the school district in an amount fixed by the library board, conditioned for the faithful discharge of his official duties. The library board shall adopt such bylaws and regulations for the government of the library and reading-room and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditures of all money collected for, or placed to the credit of, the library funds, and of the rooms and buildings provided for library purposes. All moneys received for such library fund shall be kept in the treasury of the school district, credited to the library fund, and be paid out only upon itemized vouchers approved by the library board. The library board may fix the compensation of employees and remove any of them at pleasure.

All books or other property given, granted, conveyed, donated, devised, or bequeathed to, or purchased by, such library shall vest in, and be held in the name of, such school district. Every library and reading-room established hereunder shall be free to the use of the inhabitants of the school district, subject to such reasonable regulations as the directors may adopt.

When so established, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

When so established, in cases where the building has been erected with funds so donated, no such library shall be abandoned without a two-third majority vote of the electors cast at any annual or special school meeting called for the purpose.

*Subd. 2. Notwithstanding subdivision 1, if the library building of a library established pursuant to this section has been erected with funds acquired by gift or donation, a school board may, if authorized by the vote of a majority of all members of the school board and the vote of a majority of all members of the governing body of the city, transfer the responsibility for maintaining the library to the city.*

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies.

Reductions in levies pursuant to this clause, 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 ~~294.28~~ 294.26; 298.23 to 298.28; ~~298.32~~; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 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; 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 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments 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, clause 1 or 2, to an amount less than the amount raised by a levy of 10 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 2a, clause (4) 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 ~~that~~ 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 ~~294.28~~ 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 124.212, subdivision 8a, 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 124.212, subdivision 8a, 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.

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) ~~In 1979, and each year thereafter,~~ A district which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2.50 per capita, or (B) *one hundred and ten percent of the amount certified pursuant to this subdivision in 1976.* 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 1976 shall not reflect reductions pursuant to subdivision 9.

(2) A school district shall be authorized to make a 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 make a levy pursuant to this subdivision.

(3) 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. 12. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. (a) A school district may levy an amount not to exceed the amount equal to ~~\$80~~ \$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, ~~\$85~~ \$95 per pupil unit. For purposes of computing allowable levies under section 275.125, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5). No levy under this subdivision shall exceed ~~ten~~ seven mills times the adjusted assessed valuation of the taxable property

in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.

(b) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, 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 property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to 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 or eliminating barriers to or increasing 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 article VI, section 3.*

(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 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.

Sec. 13. Minnesota Statutes 1978, Section 275.125, Subdivision 12, is amended to read:

Subd. 12. When a district finds it economically advantageous to rent or lease existing school buildings or other buildings for instructional purposes, and the proceeds of the levy permitted under section 124.04 or 275.125, subdivision 11a are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonable-

ness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building for approved purposes. The proceeds of this levy shall not be used for custodial or other maintenance services.

Sec. 14. [EFFECTIVE DATE.] *Section 6 of this article is effective July 1, 1981. Section 3 of this article is effective the day following final enactment.*

## ARTICLE V

### VOCATIONAL EDUCATION

Section 1. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2a, is amended to read:

Subd. 2a. Ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month beginning in July 1980. A final payment of the remainder of the post-secondary vocational instructional aid for each fiscal year shall be made to each district in September of the following fiscal year. The September 1980 payment shall be adjusted to reflect any deficit or excess in post-secondary vocational foundation aid received by a district in fiscal year 1980. The September 1981 final payment *and the final September payment in each year thereafter* shall be adjusted to reflect the actual average daily membership for the previous fiscal year. The final payment in September 1982 and each year thereafter shall be adjusted to reflect the actual annual student count for the previous fiscal year. For *Beginning with* the 1980-1981 school year, 90 percent of the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted in September, December, March and June to reflect any increases or decreases in enrollment. *Beginning with the 1981-1982 school year, the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's annual student count, adjusted in September, December, March and June to reflect any increases or decreases in enrollment, pursuant to section 124.5621, subdivision 11.*

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2b, is amended to read:

Subd. 2b. Post-secondary vocational supply aid, *and* support services aid and equipment aid shall be paid to districts in equal installments on or before August 1, December *November* 1, March *February* 1, and June *May* 1 of each year. Additional post-secondary vocational supply aid, support services aid, and equipment aid may be distributed on or before March and June 1 of each year

if it is apportioned at a consolidated public hearing held before February 15 of that year in the manner specified in section 124.561, subdivision 3a. Eighty percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before May 1 of each year.

Sec. 3. Minnesota Statutes 1978, Section 124.11, is amended by adding a subdivision to read:

*Subd. 2c. Additional post secondary vocational supply aid, support services aid and capital expenditure aid may be distributed on or before May 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year pursuant to section 124.561, subdivision 3a.*

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 3, is amended to read:

Subd. 3. All funds, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids, statistics and research section of the state department of education. State board approval shall not be required for the adjustment of average daily membership or for the adjustment of the annual student count, pursuant to section 124.11, subdivisions 2 and 2a.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 4, is amended to read:

Subd. 4. Each district providing post-secondary vocational-technical education programs shall establish and maintain accounts funds separate from all other district accounts for the receipt and disbursement of all funds monies related to these post-secondary vocational-technical education programs. All post-secondary vocational aids, all funds monies received pursuant to the levy authorized by section 275.125, subdivision 13 and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 124.5621, Subdivision 11, is amended to read:

Subd. 11. (1) "Student growth or decline factor" for the 1980-1981 school year means the following ratio, adjusted according to clause (4) (2) :

(a) The current year's average daily membership as defined in section 124.562, subdivision 2, for a particular AVTI, divided by:

(b) The second prior year's average daily membership for that AVTI.

(2) Beginning in the 1979-1980 school year, each AVTI shall take a count of all full time equivalent students in attendance on the fifteenth day of each quarter that full time post secondary vocational programs are offered by that AVTI. These quarterly counts shall be totaled to produce an annual student count.

(3) Beginning in the 1981-1982 school year, "student growth or decline factor" means the following ratio, adjusted according to clause (4).

(a) The current year's annual student count for a particular AVTI, divided by

(b) The annual student count for the second prior year for that AVTI.

(4) (2) If the ratio in (1) or (3) is greater than .95 but less than 1.05, the ratio shall equal 1.0. If the ratio is .95 or less, the ratio shall be adjusted by adding .05. If the ratio is 1.05 or greater, the ratio shall be adjusted by subtracting .05.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.5621, is amended by adding a subdivision to read:

*Subd. 13. The state board for vocational education shall promulgate rules pursuant to chapter 15 which specify appropriate minimum ratios of average daily membership to each full-time staff equivalent in each of the following subject area classifications: agriculture; distributive education; health; home economics; business and office; technical; and trade and industrial.*

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.5624, Subdivision 6, is amended to read:

Subd. 6. Before August 1, 1980 and before August 1 of each subsequent year, the commissioner shall issue a report on the capital expenditure aid allocation to each AVTI. This report shall include recommended aid allocations for each capital expenditure category and an explanation comparing the amount of the authorized capital expenditure aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the capital expenditure aid allocation shall be included.

Before August 1, 1980 and before August 1 of each subsequent year the commissioner shall also report on the equipment inventory of each AVTI, including original cost, amortization schedule and current value and estimated remaining useful life.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 124.5625, is amended to read:

124.5625 [POST-SECONDARY VOCATIONAL CONTINGENCY FUND.] There is established a post-secondary and adult vocational contingency fund. This fund shall be used for the start-up costs of new full time post-secondary vocational pro-

grams, including job training programs provided at the request of industry. This fund shall also be used for short term training of employees at the request of business and industry, when that training is specialized and not available from any other source. The commissioner state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new post-secondary and adult vocational programs.

Sec. 10. Minnesota Statutes 1978, Chapter 124, is amended by adding a section to read:

[124.5626] [ADULT NEW JOBS FUND.] *There is established a new jobs fund. This fund shall be used for the short term training of employees at the request of business and industry, when that training is specialized and not available from any other source. The state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new adult vocational programs.*

Sec. 11. Notwithstanding Laws 1979, Chapter 334, Article V, Section 31, the remaining funds in the appropriation for the contingency fund are immediately available to the department of education of which \$70,000 is for the short term training of employees at the request of business and industry, and at least \$130,000 is available for start-up costs of new full time post-secondary vocational programs.

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be \$128 per quarter for each quarter the pupil is enrolled, except that there shall be no charge for tuition for a person who, prior to July 1, 1978, entered active military service in a branch of the armed forces of the United States and who, under the laws in effect at the time of his induction into the armed forces would be eligible to attend a post-secondary vocational-technical school without payment of tuition. A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 13. Minnesota Statutes 1978, Section 124.565, is amended by adding a subdivision to read:

Subd. 7. *A veteran who is a Minnesota resident shall be exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 360 post-secondary vocational technical school days, or the equivalent as determined by the state board for vocational education, or (b) one post-secondary vocational-technical school program which the veteran began after the effective date of this subdivision.*

*"Veteran" for the purpose of this subdivision means a person who entered active military service in any branch of the armed*

*forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable. This subdivision shall not apply to a veteran whose tuition is paid for by the comprehensive employment training act.*

Sec. 14. [REPEALER.] *Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9, is repealed.*

Sec. 15. [EFFECTIVE DATE.] *Section 11 of this article is effective the day following final enactment.*

## ARTICLE VI

### MISCELLANEOUS

Section 1. Minnesota Statutes 1978, Section 121.912, is amended by adding a subdivision to read:

*Subd. 3. For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by monies in an operating fund.*

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 122.541, Subdivision 5, is amended to read:

*Subd. 5. If compatible plans are not negotiated pursuant to subdivision 4 before the June March 1 preceding any year of the agreement permitted by subdivision 1, the cooperating districts shall be governed by the provisions of this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section 125.13. If necessary, teachers whose positions are discontinued as a result of the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts.*

Sec. 3. Minnesota Statutes 1978, Section 123.36, Subdivision 10, is amended to read:

*Subd. 10. The board may lease a schoolhouse which is not needed for school purposes to any person or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease. The board may make capital improvements to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. The portion of the rentals representing the cost of the improvements shall be*

*deposited in the special tax fund established for the proceeds of the tax levy authorized by section 275.125, subdivision 11a, and the balance of the rentals shall be used as provided in this subdivision. In districts with outstanding bonds, the net proceeds of the lease shall be used first pursuant to section 476.61, subdivision 3, to reduce the levy authorized for payments for bonds issued and for interest thereon pursuant to section 275.125, subdivision 4 deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining net proceeds in these districts and all net proceeds of the lease in districts without outstanding bonds shall be used to reduce the levy authorized for general and special school purposes by section 275.125, subdivision 2a deposited in the capital expenditure fund of the district.*

Sec. 4. Minnesota Statutes 1978, Section 123.36, is amended by adding a subdivision to read:

*Subd. 12. Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision. In districts with outstanding bonds the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining proceeds in these districts of the sale or exchange and all proceeds in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.*

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 125.61, subdivision 3a, is amended to read:

*Subd. 3a. Notwithstanding the provisions of subdivision 3, an eligible teacher who wishes to retire at the end of the 1978-1979 or, 1979-1980 or 1980-1981 school year, who is employed by a school district which is implementing a desegregation plan ordered by a federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 2, shall receive an early retirement incentive in the amount of \$15,000. This amount shall be reduced by \$750 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$2,250 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.*

Sec. 6. Laws 1980, Chapter 345, Section 17, is amended to read:

Sec. 17. Nothing contained in sections 1 to 16 shall be construed as affecting the validity of a permanent license or certificate issued prior to August 1, ~~1979~~ 1980.

Sec. 7. *Subdivision 1. Notwithstanding Minnesota Statutes, Section 121.912, Independent School District No. 119, Walker, may permanently transfer money from its general fund to its capital expenditure fund for the purpose of constructing a special education addition to the Walker elementary school. The amount of money which may be transferred shall not exceed the lesser of (a)*

the amount necessary to pay for the construction of the special education facility or (b) \$550,000.

*Subd. 2. This section is effective upon its approval by the board of Independent School District No. 119 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.*

*Sec. 8. Subdivision 1. Notwithstanding section 3 or 4 of this article or any other provisions of law to the contrary independent school district No. 283 may transfer up to \$500,000 of any unexpended balance in the debt retirement fund of the district, after a sufficient amount of monies has been deposited in the debt retirement fund of the district to meet when due the principal and interest payments for all outstanding obligations, to the capital expenditure fund of the district. This transfer authority is available until July 1, 1980.*

*Subd. 2. This section is effective upon its approval by the board of Independent School District No. 283 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.*

*Sec. 9. Subdivision 1. Notwithstanding Minnesota Statutes, Section 121.912, any school district located in Chisago county with an audited unappropriated general fund balance in excess of \$1,000,000 as of June 30, 1979, may permanently transfer up to one-half of that audited unappropriated fund balance from its general fund to its capital expenditure fund for the purpose of constructing a swimming pool facility; provided that the board of the district calls a special election pursuant to section 123.32, subdivision 22, requesting the approval of the voters of the district and that a majority of those voting approve the transfer and provided further that the board of the district complies with section 645.021, subdivision 3.*

*Subd. 2. This section is effective for an eligible school district upon compliance with section 645.021, subdivision 3.*

*Sec. 10. [FOUR DAY SCHOOL WEEK.] The state board of education, pursuant to section 120.65, shall establish a policy permitting districts requesting to operate the four day week to qualify for a flexible school year program. The policy of the board shall not apply to a school district located entirely within the seven county metropolitan area.*

*Sec. 11. Minnesota Statutes, 1979 Supplement, Section 465.72, is amended to read:*

*465.72 [SEVERANCE PAY.] Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, all counties, cities, townships and school districts are hereby authorized and empowered to any county, city, township and school district may pay severance pay to all of its employees and to establish, prescribe and promulgate provisions, rules and regulations for the payment of such severance pay upon leaving to an employee who leaves employment prior to before the normal retirement date. Such The severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits ; and . It shall be paid*

in a manner mutually agreeable to the employee and employer over a period not to exceed five years from termination of employment. In the event that *If* a terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. In no event shall severance pay provided for an employee except a teacher as defined in section 179.63, subdivision 13, leaving employment exceed an amount equivalent to 100 days pay. Severance pay for a teacher as defined in section 179.63, subdivision 13, shall not exceed an amount equal to one year of pay.

Sec. 12. Laws 1959, Chapter 690, Section 2, as amended by Laws 1963, Chapter 729, Section 1, Laws 1971, Chapter 599, Section 1, and Laws 1975, Chapter 261, Section 1, is amended to read:

Sec. 2. [ST. PAUL, CITY OF: INDEPENDENT SCHOOL DISTRICT NO. 625; EMPLOYEES SEVERANCE PAY.] The provisions, rules and regulations under any such ordinance for such payment of severance pay by said city, authorized under the foregoing provisions of section 1 hereof, shall be applicable to all employees of said city other than its elected city officials. Such severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits, and shall be paid over a period not to exceed five years from termination of employment. The amount of such severance pay allowable or to become payable in respect of any such employment or to any such employee after December 31, 1978, shall not exceed \$4,000 *an amount equivalent to one year of pay.*

Sec. 13. Laws 1965, Chapter 705, as amended by Laws 1975, Chapter 261, Section 4, is amended to read:

Sec. 6. The school board, for the purpose of providing moneys for the payment of its severance pay obligations under a plan approved by resolution of the district, in addition to all other powers possessed by the school district and in addition to and in excess of any existing limitation upon the amount it is otherwise authorized by law to levy as taxes, is authorized to levy taxes annually not exceeding in any one year an amount equal to two-tenths of one mill upon each dollar of the assessed valuation thereof upon all taxable property within the school district which taxes as levied shall be spread upon the tax rolls, and all corrections thereof shall be held by the school district, and allocated therefor to be disbursed and expended by the school district in payment of any public school severance pay obligations and for no other purpose. Disbursements and expenditures previously authorized on behalf of the school district for payment of severance pay obligations shall not be deemed to constitute any part of the cost of the operation and maintenance of the school district within the meaning of any statutory limitation of any school district expenditures.

The amount of such severance pay allowable or to become pay-

able in respect of any such employment or to any such employee shall not exceed \$4,000 *an amount equivalent to one year of pay.*

Sec. 14. [REPEALER.] *Minnesota Statutes 1978, Sections 123.34, Subdivision 6 and 122.85, Subdivision 7, are repealed.*

Sec. 15. [EFFECTIVE DATE.] *Section 13 of this article is effective the day following final enactment.*

## ARTICLE VII

### STATEWIDE MANAGEMENT INFORMATION SYSTEM

Section 1. Minnesota Statutes, 1979 Supplement, Section 16.93, is amended to read:

16.93 [COMPUTERIZATION BY SCHOOL DISTRICTS.] Subdivision 1. [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] [PURPOSE.] *The purposes of the statewide education management information system are:*

*To provide consistent and comparable information for statewide education information needs in a manner which is economical and cost-effective;*

*To provide a computerized research capability for analysis of education information;*

*To assist school districts in the development and planning of education information systems which will meet school district management needs; and*

*To coordinate information, collection and processing in order to meet the management needs of school districts and the state of Minnesota.*

Subd. 2. [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] [POWERS AND DUTIES.] *The state board of education and the department of education may delegate any of their powers and duties pursuant to subdivision 3 which are necessary for the implementation of the statewide education management information system or for the technical support of the system to the Minnesota educational computing consortium. The development of policy and planning for the system and the monitoring of compliance with statewide systems and reporting standards shall be the responsibility of the state board of education and the department of education pursuant to section 4 of this article and shall not be delegable.*

*Any duty or responsibility of the state board of education or the department of education required by section 1, 2, 3 or 4 of this article delegated before August 1, 1979 is repealed.*

*The commissioner of administration shall have no authority to review the decisions of the state board, the department of education or the Minnesota educational computing consortium made pursuant to sections 1, 2, 3 or 4.*

Subd. 2 3 . [SCHOOL DISTRICTS' PLANS AND BUDGETS.]

A school district may expend funds for computerization of administrative, instructional, or other activities only after a regional management information center of which the district is a member submits and obtains approval of an annual plan and budget on behalf of its member districts as provided in subdivision 3 4 . A school district may utilize management information systems other than the statewide standard management information systems only after receiving approval by the state board of education of its alternative plan pursuant to section 4. Every school district shall become a member of a regional management information center. Every district shall, in a timely manner accordance with the timelines in the data acquisition calendar, supply to the regional management information center of which it is a member the information required by the annual data acquisition calendar and the rules of the state board of education and the information specified in the data element dictionary.

Subd. 3 4 . [REGIONAL PLANS AND BUDGETS.] Any group of two or more school districts may with the approval of the state board of education create a regional management information center pursuant to section 471.59 to provide computer services to the member districts. No regional management information center may expend funds for computer activities unless it files an annual plan and budget for its activities with the department of education and receives approval of the plan and budget from the department of education. *Regional management information center budgets and financial reports shall be submitted in a common format defined by the state department of education for all regional management information centers and in conformance with the uniform financial accounting and reporting system. The format defined by the state department of education shall provide for cost accounting procedures to be utilized by the regional management information centers.* Criteria for approving the creation of a regional management information center and the plan and budget of a regional management information center shall include: the provisions of the state computing plan adopted by the state board of education; the cost effectiveness of the regional management information center and its plan and budget; the effect on existing regional management information centers; the ability of the regional management information center in a timely manner accordance with the timelines in the data acquisition calendar to provide information required by the annual data acquisition calendar or by the rules of the state board of education on computer tape which is machine readable using the software designed by the department of education; the ability of the regional management information center within 15 calendar days to respond to requests for information based on the data elements in the data element dictionary on computer tape which is machine readable using the software designed by the department of education; and the ability of the regional management information center to operate the uniform financial management accounting system using multi-dimensional accounts and records, as required by the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.92.

Every regional *management information center* shall make available to its member districts the opportunity to participate fully in the comprehensive financial reporting, personnel payroll reporting and student reporting *management information system systems* developed by the Minnesota educational computing consortium. A regional management information center which is not in existence on July 1, 1979 shall not come into existence until the first July 1 of an odd-numbered year after its creation is approved pursuant to this subdivision or until it can be accommodated by state appropriations, whichever occurs first. *Before July 1, 1981, every regional management information center shall develop a plan for the provision of services during a system failure or a disaster.*

Subd. 4 5 . [REGIONAL SUBSIDIES.] In any year when a regional management information center's plan and budget are approved pursuant to subdivision 3 4, the center shall receive a regional reporting subsidy grant from the department of education. The grant shall be in an amount determined in accordance with the formula filed by the department of education with the committees on education and finance of the senate and the committees on education and appropriations of the house of representatives.

*For the fiscal year ending June 30, 1981, the formula may take into consideration the number of districts participating in a regional management information center as defined in section 3, subdivision 2, and the regional management information center services provided to districts using approved alternatives to the statewide standard management information systems.*

Subd. 5 6 . [STATE BOARD OF EDUCATION DUTIES.] The state board of education shall adopt rules prescribing the criteria for approval of regional plans and budgets and of the creation of *regions regional management information centers*, and specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the data acquisition calendar developed pursuant to subdivisions 6 8 and 7 9 . *The state board shall also adopt any rules necessary for the implementation of section 4.* To the extent permitted by available resources, the commissioner of administration may furnish staff and other assistance to the department of education and the Minnesota educational computing consortium in conjunction with their performance of the duties imposed by this section.

Subd. 7. [ALTERNATIVE FORMS OF PARTICIPATION IN THE COMPUTERIZED REPORTING SYSTEM.] *A school district shall use the statewide standard management information systems or an alternative method of participation approved by the state board of education pursuant to section 4. Any alternative system shall provide data to the regional management information center which conforms to the statewide systems and reporting standards. Criteria for approval shall be established by the department of education pursuant to section 4. A district proposal for an alternative method of participation shall include any costs to the district, regional management information center, or state for soft-*

*ware development or operational services needed to provide standardized data to the regional management information center.*

*A district shall submit its proposal for an alternative system to the regional management information center board for evaluation. The regional management information center shall use the criteria for approval of alternative systems established by the department of education to evaluate the district proposal.*

*The regional management information center in a timely manner shall submit the district proposal and the regional management information center's evaluation of that proposal to the state board of education for approval or denial of the proposal.*

*Any delivery system, including manual reporting to the regional management information center, which meets the statewide standards may be submitted as an alternative. Upon approval of the state board of education, state or regional management information center funds may be used for software, software development, or operational services needed to assist districts in meeting the statewide systems and reporting standards. The state and region shall not fund any software, software development or operational services needed to meet needs which are unique to a particular school district.*

**Subd. 6 8. [DATA ELEMENT DICTIONARY.]** By January 1, 1980, the department of education shall develop a data element dictionary defining all data elements included in the financial reporting, personnel payroll and student reporting information system of the department of education. Except as provided in subdivision 5 6, the development and modification of the data element dictionary shall be exempt from the rule-making procedures specified in chapter 15.

**Subd. 7 9 . [DATA ACQUISITION CALENDAR.]** By January 1, 1980, the department of education shall develop an annual data acquisition calendar specifying the reports which school districts are required to submit to the *regional management information center or the department of education* and the dates when these reports are due. Except as provided in subdivision 5 6, the development and modification of the annual data acquisition calendar shall be exempt from the rule-making procedures specified in chapter 15.

**Sec. 2. Minnesota Statutes 1978, Section 121.90, is amended to read:**

**121.90 [DEFINITIONS.]** *Subdivision 1.* "Receivables", "liabilities", "fund balances", "revenues" and "expenditures" have the meanings specified in the uniform financial accounting and reporting system for Minnesota school districts unless otherwise provided by law.

*Subd. 2.* For the purposes of sections 1, 2, 3 and 4, "district" means a school district, an educational cooperative service unit, a cooperative center for vocational education, a cooperative center for special education, an area vocational technical institute, or an intermediate service area.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 121.92, Subdivision 2, is amended to read:

Subd. 2. (1) After July 1, 1980, participation in a computer based financial management accounting and reporting system meeting the statewide systems and reporting standards shall be mandatory. The form of this participation shall be determined as provided in section 16.93.

(2) For the purposes of this section and of section 16.93, "participation" means providing data to the regional management information center which conform to statewide systems and reporting standards and timelines.

(3a) A district may submit a proposal to meet the July 1, 1980 date for mandatory participation through the use of a microcomputer delivery system alternative based on the council on quality education project no. 79-062-02 microcomputer finance system.

(3b) A district with not more than 1,500 pupils in average daily membership as defined in section 124.17, subdivision 2, may submit a proposal to meet the July 1, 1980 date for mandatory participation through the use of a manual reporting delivery system alternative.

(3c) A proposal for an alternative form of participation in (3a) or (3b) shall be submitted to the regional management center prior to May 15, 1980. The regional management information center shall forward the proposal submitted and the evaluation of the proposal to the state board of education prior to June 1, 1980. Approval or denial of an alternative form of participation proposed pursuant to (3a) or (3b) shall be completed prior to July 1, 1980.

(4) Delivery system alternatives other than those in (3a) and (3b) may be submitted to the regional management information center and state board of education after July 1, 1980 but are not permitted alternatives for compliance with the July 1, 1980 date for mandatory participation. A district is not exempt from meeting the requirement for mandatory participation while an alternative proposal is being evaluated by the regional management information center or the state board of education.

Sec. 4. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.93] [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] Subdivision 1. The department of education shall develop the policies and planning for the statewide education management information system.

Subd. 2. The department of education shall develop a long-range plan for the development and implementation of the statewide education management information system. The plan shall include procedures for determining the need to develop alternative statewide standard management information systems to keep pace with changing technology. A progress report on the plan shall be presented to the legislature no later than February 1, 1981. The plan shall

be completed by June 30, 1981 and shall be revised before each biennial legislative session.

*Subd. 3. The department of education shall provide for the development of statewide standard microcomputer based management information systems and training on those systems. The department of education shall report progress on development of these systems to the legislature before February 1, 1981.*

*Subd. 4. The state board of education shall adopt rules pursuant to chapter 15 for the criteria and standards to be used in evaluating district proposed alternatives to the statewide standard management information systems required pursuant to section 16.911. These criteria shall include considerations of economy and cost effectiveness for the district, regional management information center, and state. These criteria shall also include the ability of a system to provide data which conforms to the statewide systems and reporting standards. A district shall not operate an alternative system without the approval of the state board of education. The department of education shall report to the legislature before February 1, 1981, on the criteria and standards adopted.*

*Subd. 5. The department of education shall monitor the development of software for the statewide education management information system and the development of alternative systems approved by the state board of education to enforce compliance with the statewide systems and reporting standards. The department of education shall report to the legislature before February 1, 1981, on the status of districts which have received approval to operate alternative systems.*

*Subd. 6. The state board of education shall adopt rules to provide for cost accounting procedures to be used in the regional management information center budget and financial report formats. These cost accounting procedures shall detail the amounts expended for each of the statewide standard management information systems and any approved alternative systems, for each district served by the regional management information center. The department shall report to the legislature before February 1, 1981, on the cost of accounting procedures adopted and progress on their implementation. The department shall also report on expenditures attributable to each of the systems which comprise the statewide education management information system.*

*Subd. 7. The state board of education shall adopt rules pursuant to chapter 15 for the standardized reporting of student and personnel data. The state board of education shall consider the final recommendations of the advisory task forces on uniform standards for student reporting and personnel reporting promulgating permanent rules. The department of education shall halt major systems development and modification of the statewide standard payroll/personnel system and the statewide standard student support system until these rules have been adopted.*

**Sec. 5. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:**

[121.931] [STUDENT AND PERSONNEL REPORTING STANDARDS.] [ADVISORY TASK FORCES.] *Subdivision 1. There are created two advisory task forces, one on uniform standards for student reporting and one on uniform standards for personnel reporting, each composed of nine members as follows:*

(1) *one employee of the state department of education appointed by the commissioner of education;*

(2) *one representative of the Minnesota educational computing consortium appointed by the MECC board;*

(3) *one representative from the regional management information centers appointed by the state board of education;*

(4) *three persons who are representatives of the various size school districts in the state and who are public school employees whose positions involve activities related to student reporting or personnel reporting appointed by the state board of education;*

(5) *one person representing the office of the governor appointed by the governor to serve ex officio;*

(6) *one person representing the education committee of the senate appointed by the chairman to serve ex officio;*

(7) *one person representing the education committee of the house of representatives appointed by the chairman to serve ex officio.*

*Subd. 2. Each task force shall report to the legislature, by January 1, 1981, recommendations for broad policy standards for school district reporting of student data or personnel data. Each task force shall recommend to the state board of education specific statewide systems and reporting standards for student data or personnel data.*

*Subd. 3. The task forces shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.*

*Sec. 6. The department of education may add four professional employees and two clerical employees to its approved complement for the purpose of section 4.*

*Sec. 7. [APPROPRIATIONS.] There is appropriated from the general fund to the department of education the sum of \$220,000 for the purposes of this article. Of this amount \$100,000 is available to hire consultants on management information systems to assist the department in complying with this article and \$120,000 is available for the development microcomputer software to conform with the ESV-FIN system. This appropriation is available until June 30, 1981. The commissioner of education with the approval of the commissioner of finance may transfer \$200,000 for the increased staff complement in section 6. All transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives. This transfer authority shall be available until June 30, 1981.*

*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 education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and others; modifying certain responsibilities of the Minnesota educational computing consortium; modifying the method for districts to qualify for certain levies; changing the method of computing transportation aid and post-secondary vocational aid; changing the school age for certain handicapped children; providing an aid for individualized instructional materials; establishing certain programs; increasing the amount of severance pay available to public employees; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 120.17, Subdivision 1; 121.90; 121.912, by adding a subdivision; 123.36, Subdivision 10 and by adding a subdivision; 123.932, by adding a subdivision; 123.933; 124.11, by adding a subdivision; 124.214, Subdivision 2; 124.48; 124.565, by adding a subdivision; 126.07; 134.03; 275.125, Subdivisions 5, 5a and 12; Chapters 121, by adding sections; 123, by adding a section; and 124, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 16.93; 121.92, Subdivision 2; 122.541, Subdivision 5; 123.937; 124.11, Subdivisions 2a and 2b; 124.223; 124.224, Subdivision 8; 124.225; 124.245, Subdivision 1; 124.271, Subdivisions 1a and 2; 124.562, Subdivisions 3 and 4; 124.5621, Subdivision 11, and by adding a subdivision; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 3; 125.61, Subdivision 3a; 126.54, Subdivision 1; 275.125, Subdivisions 7a, 8, 9, and 11a; 465.72; Laws 1959, Chapter 690, Section 2, as amended; Laws 1965, Chapter 705, as amended; Laws 1979, Chapter 334, Article 2, Section 15, Subdivisions 2 and 3; Laws 1980, Chapter 345, Section 17; repealing Minnesota Statutes 1978, Sections 122.85, Subdivision 7; 123.34, Subdivision 6; 126.31; 126.32; 126.33; 126.34; 126.35; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7 and 11; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6, and 7; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.40, Subdivision 3; and 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9."

And when so amended the bill do pass. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1340 and 1940 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. No. 1781 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that S. F. No. 121 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 1:00 o'clock p.m., Friday, March 21, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTY-FOURTH DAY

St. Paul, Minnesota, Friday, March 21, 1980

The Senate met at 1:00 o'clock p.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Kleinbaum imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Gunderson	Luther	Peterson	Stern
Bang	Hanson	Menning	Pillsbury	Stokowski
Barrette	Hughes	Merriam	Purfeerst	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Tennessee
Brataas	Keefe, S.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kleinbaum	Olhoft	Sieloff	Vega
Dieterich	Knaak	Olson	Sikorski	Wegener
Engler	Knutson	Omann	Solon	Willet
Frederick	Laufenburger	Penny	Spear	
Gearty	Lessard	Perpich	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dave Schneider.

The roll was called, and the following Senators answered to their names:

Ashbach	Gunderson	Lessard	Perpich	Spear
Bang	Hanson	Luther	Peterson	Staples
Barrette	Hughes	McCutcheon	Pillsbury	Stern
Benedict	Humphrey	Menning	Purfeerst	Stokowski
Bernhagen	Johnson	Merriam	Renneke	Strand
Brataas	Keefe, J.	Moe	Rued	Stumpf
Coleman	Keefe, S.	Nelson	Schaaf	Tennessee
Davies	Kirchner	Nichols	Schmitz	Ueland, A.
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Knaak	Olhoft	Sieloff	Vega
Engler	Knoll	Olson	Sikorski	Wegener
Frederick	Knutson	Omann	Sillers	Willet
Gearty	Laufenburger	Penny	Solon	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

**MEMBERS EXCUSED**

Messrs. Anderson and Chmielewski were excused from the Session of today. Mr. Tennesen was excused from the Session of today at 3:00 o'clock p.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Mrs. Staples introduced—

S. F. No. 2401: A bill for an act relating to state government; regulating state set-aside procurement programs; amending Minnesota Statutes 1978, Sections 16.084; and 16.098, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 16.083, Subdivision 4.

Referred to the Committee on Employment.

Messrs. Peterson and Moe introduced—

S. F. No. 2402: A bill for an act relating to public welfare; appropriating money for construction of a detoxification center on the White Earth Indian reservation.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Penny introduced—

S. F. No. 2403: A bill for an act relating to taxation; sales and use tax; clarifying the exemption of wrapping paper purchased for custom meat processing; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, Nichols, Davies, McCutcheon and Sillers introduced—

S. F. No. 2404: A bill for an act relating to unemployment compensation; regulating contribution rates of employers; amending Minnesota Statutes 1978, Sections 268.04, Subdivision 25; Minnesota Statutes, 1979 Supplement, Sections 268.06, Subdivision 8; and 268.09, Subdivision 1.

Referred to the Committee on Employment.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

March 21, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I am vetoing Senate File 1670. This legislation, if allowed to

become law, would create a State emergency residential heating grant program, expand the State weatherization program administered by the Department of Economic Security (DES), create a new conservation weatherization program administered by the Housing Finance Agency (HFA), provide a State tax credit for energy conservation expenditures, provide for a pass through of the federal tax credit for energy conservation and alternative energy investments, and reimburse the counties for an energy assistance program.

There are four aspects of the bill that I do not support.

### 1. *Tax Credits for Weatherization*

When weatherization efforts are undertaken by low or middle-income households, financial assistance is needed more immediately than tax credits can deliver. Weatherization programs should be based on grant and loan programs such as the new Housing Finance Agency grant program in this bill, the Department of Energy/Department of Economic Security weatherization program, and the HFA's \$45 million rehabilitation loan program. Low-income households need direct grants. Middle-income households need loans. For all others, the real incentive will be savings from heating costs reduced by weatherization, not tax credits. Therefore, I oppose the 15% State tax credit for weatherization and the pass through of the federal tax credit.

I have proposed an \$11 million weatherization effort (\$6 million to DES and \$5 million to HFA).

I will accept the extra \$6 million to DES included in this legislation, bringing the total to \$17 million (\$12 million to DES and \$5 million to HFA).

According to the Department of Revenue, the cost of the 15% State tax credit and the pass through of the federal credits is estimated to be \$9.5 million.

The energy tax credit will not, of itself, bring about much increase in weatherization; nor can State government afford at this time that amount of expenditure with so little direct results.

### 2. *Earned Income Offset*

I support a State energy assistance program for households from 126-150% of poverty guidelines. 150% of poverty is \$10,050 for a family of four. A sliding scale of assistance should provide less assistance as household income increases. The federal Energy Crisis Assistance Program (ECAP) is designed to reach 200,000 low-income households with incomes at 125% of poverty and below. A State program for households from 126-150% is designed to assist another 65,000 households. Next year the federal program will expand to assist households above the 150% level.

An earned income offset is just too expensive to be State funded. The deduct provisions also add new administrative responsibilities and increases the cost of the program. Depending on the participation rate, the heating assistance grant program, including the earned income offset, may be underfunded in this bill.

### 3. *Discretionary Funds*

With a federal program assisting households up to 125%, a State program under this bill for those over 125% of poverty, and the Department of Public Welfare's Temporary Crisis Fuel Plan to assist any household with special needs, there is no need for a \$1 million discretionary fund for "extraordinary" needs.

The Department of Public Welfare's program, based on need, has been operating since October and has been used in all 87 counties.

### 4. *State Plan for ECAP*

The Windfall Profits Tax Act provides for the "chief executive" to prepare the State plan for the ECAP program. Section 11 of this legislation requires the Governor to include certain categories of eligible households, certain types of fuel, cooling costs, and use three percent of the federal money for "emergency" (discretionary) funds, and submit the State plan to the Legislature for "review and comment."

I have no problem considering and taking into account legislative input on the State plan for the ECAP program, in fact, I welcome it. However, I intend to write the plan this summer and fall when the Legislature is in full swing campaigning. In order to have the ECAP program on line next fall, it must be submitted to the federal government early.

While I appreciate legislative input on this important matter I will not accept a mandate.

There are a number of sections in the legislation that I support, including fuel assistance to those with incomes up to 150% of poverty, the \$17 million for State weatherization efforts, and \$1 million to reimburse the counties for their actual program expenses under the Temporary Crisis Fuel Plan.

I am encouraged by the Legislature's intensive interest in energy matters, especially assistance, weatherization, and conservation. I remain optimistic that the Legislature can still prepare, pass, and deliver to me legislation which will address the issues of assistance, weatherization, and conservation.

For the reasons set forth in this message, I cannot allow Senate File 1670 to become law. I am, therefore, returning it to you unsigned.

Sincerely,  
Albert H. Quie, Governor

Mr. Humphrey moved that S. F. No. 1670 and the Governor's message be laid on the table. The motion prevailed.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the

following Senate Files, herewith returned: S. F. Nos. 978, 1403, 1716, 1796 and 1892.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1707: A bill for an act relating to towns; requiring a majority of voters to permit town zoning; clarifying the ballot question; requiring hearing and notice before certain actions; requiring notice of changes; amending Minnesota Statutes 1978, Sections 366.11; 366.12; 366.13; and 366.15.

Senate File No. 1707 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Dunn moved that the Senate concur in the amendments by the House to S. F. No. 1707 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1707: A bill for an act relating to towns; providing for towns to set their own hours for town elections; requiring polls to be open at least three hours; requiring a majority of voters to permit town zoning; clarifying the ballot question; requiring hearing and notice before certain actions; requiring notice of changes; amending Minnesota Statutes 1978, Sections 205.03, Subdivision 3; 366.11; 366.12; 366.13; and 366.15.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Lessard	Pillbury	Stokowski
Bang	Gunderson	Luther	Renneke	Strand
Barrette	Hanson	Menning	Rued	Stumpf
Benedict	Hughes	Moe	Schaaf	Tennessen
Bernhagen	Humphrey	Nelson	Schmitz	Ueland, A.
Brataas	Johnson	Nichols	Setzepfandt	Ulland, J.
Coleman	Keefe, J.	Olhoff	Sieloff	Vega
Davies	Keefe, S.	Olson	Sikorski	Wegener
Dieterich	Kirchner	Omann	Solon	Willet
Dunn	Kleinbaum	Penny	Spear	
Engler	Knaak	Perpich	Staples	
Frederick	Knutson	Peterson	Stern	

Mr. Merriam voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1815: A bill for an act relating to commerce; providing for service of legal process on nonresident brokers and salespersons licensed to do business in Minnesota; amending Minnesota Statutes 1978, Section 82.31, Subdivision 3.

Senate File No. 1815 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 20, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Bang moved that the Senate concur in the amendments by the House to S. F. No. 1815 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1815 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Luther	Pillsbury	Stern
Bang	Hughes	Menning	Renneke	Stokowski
Barrette	Humphrey	Merriam	Rued	Strand
Benedict	Johnson	Moe	Schaaf	Stumpf
Bernhagen	Keefe, J.	Nelson	Schmitz	Tennessee
Brataas	Keefe, S.	Nichols	Setzepfandt	Ueland, A.
Davies	Kirchner	Olhoff	Sieloff	Ulland, J.
Dieterich	Kleinbaum	Olson	Sikorski	Vega
Dunn	Knaak	Omann	Sillers	Wegener
Engler	Knoll	Penny	Solon	Willet
Gearty	Knutson	Perpich	Spear	
Gunderson	Lessard	Peterson	Staples	

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1963: A bill for an act relating to taxation; property tax administration; eliminating mandatory assessors meetings; amending Minnesota Statutes 1978, Sections 273.03, Subdivision 1; 273.04; and Minnesota Statutes, 1979 Supplement, Sections 270.06; and 273.061, Subdivision 8.

Senate File No. 1963 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 20, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Wegener moved that the Senate concur in the amendments by the House to S. F. No. 1963 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1963: A bill for an act relating to local government; fixing compensation for county canvassing boards and county and township election judges; eliminating mandatory assessors meetings; amending Minnesota Statutes 1978, Sections 273.03, Subdivision 1; 273.04; and Minnesota Statutes, 1979 Supplement, Sections 204A.23; 270.06; and 273.061, Subdivision 8.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Perpich	Spear
Bang	Hanson	Luther	Peterson	Staples
Barrette	Hughes	Menning	Pillsbury	Stern
Benedict	Humphrey	Merriam	Renneke	Stokowski
Bernhagen	Johnson	Moe	Rued	Strand
Brataas	Keefe, J.	Nelson	Schaaf	Stumpf
Davies	Kirchner	Nichols	Schmitz	Tennessee
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ueland, A.
Dunn	Knaak	Olhoff	Sieloff	Ulland, J.
Engler	Knoll	Olson	Sikorski	Vega
Frederick	Knutson	Omann	Sillers	Wegener
Gearty	Laufenburger	Penny	Solon	Willet

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1709: A bill for an act relating to corrections; provid-

ing for licensing of correctional facilities; regulating inmate earnings; providing for the investment of money in the correctional industries revolving account; authorizing the commissioner of corrections to amend 11 MCAR, sections 2.402 to 2.403; amending Minnesota Statutes 1978, Sections 241.021, Subdivision 1; 243.24, Subdivision 1; 243.88, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 241.27, Subdivision 2.

Senate File No. 1709 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1980

Mr. Nelson moved that S. F. No. 1709 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1736: A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5.

Senate File No. 1736 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1980

Mr. Dunn moved that S. F. No. 1736 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned:

S. F. Nos. 1807 and 1957.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 20, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1949, 2040, 2047, 2067, 1262, 1730, 1794, 1825 and 1890.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 20, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted:

H. F. Nos. 1095, 1408, 1962, 2262, 1661 and 1835.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 20, 1980

#### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 1949: A bill for an act relating to zoning; providing for notice of hearings; changing notice provisions for variance hearings; amending Minnesota Statutes 1978, Section 394.26, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2338 now in the Subcommittee on Bill Scheduling.

H. F. No. 2040: A bill for an act relating to government data; providing definitions; classifying data as public, private, confidential, non-public, or protected non-public; amending Minnesota Statutes 1978, Sections 15.162, by adding subdivisions; 15.165, Subdivision 3; 600.23, Subdivision 3; and Chapter 15, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 15.162, Subdivision 2a; 15.163, Subdivisions 3, 5, and 9; 15.1642, Subdivisions 1 and 5; 15.166, Subdivision 4; 15.1692, Subdivision 2, and by adding a subdivision; 15.1693, by adding a subdivision; 15.1698, Subdivision 1, and by adding subdivisions; repealing Minnesota Statutes, 1979 Supplement, Section 15.1692, Subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2039 now in the Subcommittee on Bill Scheduling.

H. F. No. 2047: A bill for an act relating to state government; raising the limit on the balance allowed to remain in the state auditor's revolving fund; empowering the state auditor to establish a personnel recruitment, hiring, promotional, and salary plan with the approval of the commissioner of the department of personnel; amending Minnesota Statutes 1978, Section 6.58; and Chapter 6, by adding a section.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2101 now on the Calendar.

H. F. No. 2067: A bill for an act relating to financial institutions; modifying director's residence requirements for industrial loan and thrift companies; providing for a report to the commissioner in the event of a change of control; requiring insurance or guarantee of certificates of indebtedness sold or issued for in-

vestment; exempting certificates of indebtedness from the regulation of securities; amending Minnesota Statutes 1978, Sections 53.06; 53.09, Subdivision 2; Chapter 53, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 80A.15, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2353 now in the Subcommittee on Bill Scheduling.

H. F. No. 1262: A bill for an act relating to the city of Breezy Point; relating to its tax levy for general purposes; repealing Laws 1971, Chapter 110.

Referred to the Committee on Taxes and Tax Laws.

H. F. No. 1730: A bill for an act relating to commerce; limiting product liability actions against non-manufacturers.

Referred to the Committee on Judiciary.

H. F. No. 1794: A bill for an act relating to courts; providing for elections in a county court district.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1686 now in the Subcommittee on Bill Scheduling.

H. F. No. 1825: A bill for an act relating to children; specifying rights of stepparents to visit certain children.

Referred to the Committee on Judiciary.

H. F. No. 1890: A bill for an act relating to courts; Hennepin and Ramsey County district courts, juvenile divisions; authorizing appointment of district court judges to hear cases arising under the juvenile court act for terms up to six years; amending Minnesota Statutes 1978, Section 260.019, Subdivision 3.

Referred to the Committee on Judiciary.

H. F. No. 1095: A bill for an act relating to courts; authorizing certain actions against state officers to be tried in a county other than where the cause of action arose; providing for procedure for removal; amending Minnesota Statutes 1978, Sections 542.03; and 542.18.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1085, now on General Orders.

H. F. No. 1408: A bill for an act relating to motor vehicles; providing for the proration of taxes on certain vehicles on the basis of the registration period; providing for the issuance and use of certain motor vehicle dealer plates; adjusting the bond provisions for certain dealers; authorizing dealers' licenses for the sale of motorized bicycles; specifying grounds for suspension

and revocation of dealers' licenses; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 2; and 168.27, Subdivisions 2, 12, 20, 22 and 24.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1430, now on the Calendar.

H. F. No. 1962: A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; imposing certain duties on the registrar of motor vehicles; amending Minnesota Statutes 1978, Sections 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1964, now on the Calendar.

H. F. No. 2262: A bill for an act relating to highway traffic regulations; including a constable within the meaning of the definition of peace officer in the implied consent law; amending Minnesota Statutes 1978, Section 169.123, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2341, now on General Orders.

H. F. No. 1661: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, consumption, possession and furnishing; establishing minimum period of license revocation for certain persons convicted of driving while intoxicated, refusing or failing chemical test; increasing and changing penalties for furnishing alcoholic beverages to certain persons; amending Minnesota Statutes 1978, Sections 169.121, Subdivision 3; 169.123, Subdivisions 2 and 4; 340.02, Subdivision 8; 340.035, Subdivisions 1 and 2; 340.119, Subdivision 2; 340.13, Subdivision 12; 340.14, Subdivision 1a; 340.403, Subdivision 3; 340.73, Subdivisions 1 and 3; 340.731; 340.78; 340.79; 340.80; and 340.81.

Referred to the Committee on Rules and Administration.

H. F. No. 1835: A bill for an act relating to motor vehicles; setting due dates for installment payments of motor vehicle registration taxes; extending the coroner's reporting time of deaths resulting from motor vehicle accidents; authorizing the use of accident reports by certain agencies for accident prevention purposes; requiring bumpers on certain motor vehicles; allowing cities and towns to declare segments of city streets and town roads to be urban districts and to post urban district speed limits on them; amending Minnesota Statutes 1978, Sections 168.31, Subdivision 4; 169.09, Subdivisions 11 and 13; and 169.14, by adding a subdivision; 169.73, Subdivisions 1 and 2; repealing Minnesota Statutes 1978, Section 169.73, Subdivisions 3, 4 and 5.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1680 now in the Subcommittee on Bill Scheduling.

## REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1683: A bill for an act relating to state government; providing for certain historical memorials; providing an appropriation.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete the second "and" and insert "a representative"

Page 1, line 12, before "senate" insert "subcommittee on committees of the"

Page 1, line 12, delete "rules committee" and insert "committee on rules and administration"

Page 1, lines 14, 15 and 18, delete "the" and insert "The"

Page 1, line 22, after "to" insert "the Minnesota historical society for the use of"

Page 2, line 3, delete "shall expire" and insert "expires"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 2025: A bill for an act relating to water resources; continuing the water planning board; changing its membership and duties; appropriating money; amending Minnesota Statutes 1978, Section 105.401; and Laws 1979, Chapter 333, Section 31, Subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 31, in the blank insert "288,000"

Page 4, line 19, after "account" insert "*and the provisions of Minnesota Statutes, 1979 Supplement, Section 86.72, Subdivision 1, do not apply*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 514: A bill for an act relating to education; requiring the board of education to establish and fill the position of spe-

cialist for industrial arts education and to prescribe the duties of the specialist; appropriating money; amending Minnesota Statutes 1978, Section 121.11, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 17, delete "\$80,000" and insert "\$40,000"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 620: A bill for an act relating to local government; authorizing the establishment of local government official training programs; appropriating money; amending Minnesota Statutes 1978, Section 471.59, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete "\$85,000" and insert "\$42,500"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1629: A bill for an act relating to state government; providing for a demonstration job-sharing project in state government; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 29, delete "Subdivision 1. There is"

Page 5, delete lines 30 to 33

Page 6, delete line 1

Page 6, line 2, delete "Subd. 2. There" and insert "The sum of \$15,000"

Page 6, line 4, delete "the following sums:" and insert ", to be available until June 30, 1981."

Page 6, delete line 5

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1978: A bill for an act relating to veterans; authorizing a memorial to Minnesota's war dead in Arlington National Cemetery; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1986: A bill for an act relating to historic sites and monuments; adding property to Split Rock Lighthouse historic site; reestablishing Traverse des Sioux historic site as a state monument; appropriating funds; amending Minnesota Statutes 1978, Sections 138.025, Subdivision 10; and 138.585, by adding a subdivision; repealing Minnesota Statutes 1978, Section 138.55, Subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1884: A bill for an act relating to education; increasing the bonding authority of the higher education coordinating board; amending Minnesota Statutes, 1979 Supplement, Section 136A.171.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1053: A bill for an act relating to health; establishing a THC therapeutic research program in compliance with federal laws and regulations; directing the commissioner of health to make a grant; providing exemptions from criminal sanctions; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 291: A bill for an act relating to local government; permitting self insurance of health benefits; authorizing joint self insurance; amending Minnesota Statutes 1978, Section 471.616, Subdivision 1; and Chapter 471, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert

“Section 1. Minnesota Statutes 1978, Section 60A.23, is amended by adding a subdivision to read:

*Subd. 8. [SELF INSURANCE PLAN ADMINISTRATORS; VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk man-*

agement services and to any entity which administers, for compensation, a self insurance plan. This subdivision shall not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self insurance plan for its employees' benefits or (e) to a nonprofit insurance trust administered and operated for the benefit of employer participants and established prior to January 1, 1979.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, which is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self insurance plan may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self insurance plans are financially solvent, are administered in a fair and equitable fashion,

*and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering self insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering self insurance plans, and self insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30.*

*(5) [RULE MAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may promulgate administrative rules, including emergency rules, pursuant to sections 15.0411 to 15.052. These rules may:*

*(a) Establish reporting requirements for administrators of self insurance plans;*

*(b) Establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of self insurance plans;*

*(c) Establish bonding requirements or other provisions assuring the financial integrity of entities administering self insurance plans; or*

*(d) Establish other reasonable requirements to further the purposes of this subdivision.*

Sec. 2. Minnesota Statutes 1978, Section 471.616, Subdivision 1, is amended to read:

**471.616 [GROUP INSURANCE; GOVERNMENTAL UNITS.]**  
**Subdivision 1. [BIDDING REQUIRED.]** No governmental subdivision, political subdivision, or any other body corporate and politic authorized by law to purchase group insurance for its employees and providing or intending to provide such group insurance protections and benefits for 25 or more of its employees shall enter into a contract for or renew any such group insurance policy or contract without calling for bids and awarding the contract to the lowest responsible bidder by way of competitive bidding procedures similar to those for the provision of services and supplies under Minnesota Statutes 1971, Section 16.07, Subdivisions 1, 2, 4 and 5. *A political subdivision may provide in the bid specifications that self insured health benefit plans will not be considered. Lowest responsible bidder means the insurer or service plan corporation submitting the lowest premium rate or the lowest charge for expenses and risk taking in accordance with the specifications for the coverage and administrative services from among such insurers or service plan corporations authorized to do business in this state which are deemed by the governmental unit to be financially able to carry the risk proposed and are capable of satisfactorily performing the administration of the policy or contract, or self insurance plan, if allowed by the bid specifications which offers the lowest cost, is authorized to do business in this state, and is deemed by the governmental unit to be capable of satisfactorily performing the administration of the*

*policy or contract in accordance with the bid specifications. "Cost" means in the case of an insurer, the premium rate; in the case of service plan corporation, the charge for expenses and risk taking; and in the case of self insurance plans, the sum of the cost of paid claims, including provision for estimated incurred but unpaid claims at the end of the term, administrative costs, and premium for excess coverage. The cost of changing insurers plans may also be considered in determining the lowest premium rate or the lowest charge for expenses and risk taking cost. The aggregate value of benefits provided by a contract entered into after July 1, 1973 shall not be less than those provided by the preexisting contract (a) unless a majority of the employees covered under the group insurance plan and voting on the question agree to a reduction in the benefits, if the employees are not represented by an exclusive representative pursuant to section 179.67, or (b) unless the public employer and the exclusive representative of the employees of an appropriate bargaining unit, certified pursuant to section 179.67, agree to a reduction in the benefits. ~~(c)~~ The aggregate value of benefits of any former employee who has retired shall not, in any event, be reduced pursuant to clause (a) or (b), unless he has individually agreed to the reduction.*

No such contract need be submitted to bid more frequently than once every 48 months, unless for any reason whatsoever, a 50 percent or greater change in the premium under the policy contract is provided, required or indicated.

When an insurer proposes an increase in rates, it shall accompany its proposal with an aggregate claims record for the appropriate period that explains the proposed increase. When a contract is resubmitted for bids the aggregate claims record shall accompany the specifications for the contract. *Cost comparisons are not required between insured and self-insurance alternatives, but apply to comparisons between two or more insured proposals or comparisons between two or more self-insurance proposals.*

Sec. 3. Minnesota Statutes 1978, Chapter 471, is amended by adding a section to read:

[471.617] *Subdivision 1. A statutory or home rule charter city or county or school district, or instrumentality thereof, which has more than 100 employees, may by ordinance or resolution self insure for any employee health benefits except long term disability and life benefits. Any self insurance plan shall provide all benefits which are required by law to be provided by group health insurance policies. Self insurance plans shall be certified as provided by section 62E.05. Employee wage deductions for the purpose of funding a self insured health benefit plan shall be subject to the licensing provisions of section 60A.23, subdivision 7.*

*Subd. 2. Any two or more statutory or home rule charter cities or counties or school districts or instrumentalities thereof which together have more than 100 employees may jointly self insure for any employee health benefits except long term disability and life*

benefits, subject to the same requirements as an individual self insurer under subdivision 1. The commissioner of insurance is authorized to promulgate administrative rules, including emergency rules, pursuant to sections 15.0411 to 15.052, providing standards or guidelines for the operation and administration of self insurance pools.

Subd. 3. Any self insurance plan covering fewer than 1,000 employees shall include excess or stop-loss coverage, provided by a licensed insurance company or an insurance company approved pursuant to section 60A.20 or service plan corporation. This excess or stop-loss coverage shall cover all eligible claims incurred during the term of the policy or contract. In addition to excess or stop-loss coverage, the self insurance plan shall provide for reserving of an appropriate amount of funds to cover the estimated cost of claims incurred, but unpaid, during the term of the policy or contract which shall be adding to the expected claim level. These funds shall be in addition to funds reserved to cover the claims paid during the term of the policy or contract. The excess or stop-loss coverage shall be provided at levels in excess of self insured retention which is appropriate, taking into account the number of covered persons in the group.

Subd. 4. No statutory or home rule charter city or county or school district or instrumentality thereof, shall adopt a self insured health benefit plan for any employees represented by an exclusive representative certified pursuant to section 179.67 without prior notification and consultation on 10 days written notice to the exclusive representative and agreement by the exclusive representative that represents the largest number of employees to be included in the plan.

Subd. 5. No political subdivision or its employee or agent shall disclose any information about individual claims or total claims of an individual without the consent of the individual, except that the information may be disclosed to officers, employees, or agents of the political subdivision to the extent necessary to enable them to perform their duties in administering the health benefit program. This provision shall not prevent the disclosure of aggregate claims for the group without identification of any individual.

A parent or legal guardian of a minor is authorized to act on behalf of the minor in the disclosure of a record.

Subd. 6. A statutory or home rule charter city or county or school district, or instrumentality thereof having a self insured health benefit plan on the effective date of this section may continue to operate that plan notwithstanding that the plan does not meet the minimum employee group size requirement of subdivision 1.

Sec. 4. [APPROPRIATION.] The sum of \$..... is appropriated from the general fund to the commissioner of insurance for purposes of this act.

Sec. 5. [REPEALER.] Minnesota Statutes, 1979 Supplement, Section 471.61, Subdivision 1b, is repealed.

**Sec. 6. [EFFECTIVE DATE.]** *Section 1 is effective July 1, 1980.*"

Amend the title as follows:

Page 1, line 4, after "insurance;" insert "appropriating money;"

Page 1, line 5, delete "Section" and insert "Sections 60A.23, by adding a subdivision;"

Page 1, line 6, after "section" insert "; repealing Minnesota Statutes, 1979 Supplement, Section 471.61, Subdivision 1b"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Tennessen from the Committee on Commerce, to which was referred

S. F. No. 994: A bill for an act relating to real estate brokers and salespersons; regulating the real estate education, research and recovery fund; setting fees; providing guidelines for the amount of the recovery portion of the fund and for paying claims; amending Minnesota Statutes 1978, Section 82.34.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 82.21, Subdivision 1, is amended to read:

82.21 [FEES.] Subdivision 1. [AMOUNTS.] The following fees shall be paid to the commissioner:

(a) A fee of \$50 for each initial individual broker's license, and a fee of \$25 for each annual renewal thereof;

(b) A fee of \$25 for each initial salesperson's license, and a fee of \$10 for each annual renewal thereof;

(c) A fee of \$50 for each initial corporate or partnership license, and a fee of \$25 for each annual renewal thereof;

(d) A fee not to exceed \$20 \$40 per year for payment to the education, research and recovery fund in accordance with section 82.34;

(e) A fee of \$10 for each transfer.

Sec. 2. Minnesota Statutes 1978, Section 82.34, Subdivision 1, is amended to read:

82.34 [REAL ESTATE EDUCATION, RESEARCH AND RECOVERY FUND.] Subdivision 1. There is established a "real estate education, research and recovery fund" to be administered by the commissioner of securities in the manner and for the purposes prescribed in this section. The state treasurer shall be is the custodian of the fund and shall operate under the direction of the commissioner.

Sec. 3. Minnesota Statutes 1978, Section 82.34, Subdivision 3, is amended to read:

Subd. 3. Each real estate broker and real estate salesperson entitled under this chapter to renew his a license, when renewing for the first time after July 1, 1973, shall pay in addition to the appropriate renewal fee a further fee of \$20 which shall be credited to the real estate education, research and recovery fund. Any person who receives a new real estate broker's or real estate salesperson's license after July 1, 1973 shall pay said the fee of \$20 in addition to all other fees payable, provided that in no case shall any real estate broker or real estate salesperson be required under this subdivision to pay said the fee of \$20 more than once. *The one time fee is increased to \$40 for any person who receives a new real estate broker's or real estate salesperson's license after July 1, 1980. In addition each real estate broker or real estate salesperson when renewing a license after July 1, 1980, shall each time pay a fee of \$5 to be credited to the real estate education, research and recovery fund.*

Sec. 4. Minnesota Statutes 1978, Section 82.34, Subdivision 4, is amended to read:

Subd. 4. If at the end of any fiscal year prior to calendar year 1981 following the establishment of the real estate education, research and recovery fund, the amount remaining in the fund is less than \$200,000, every licensed real estate broker and real estate salesperson, when renewing his a license, shall pay in addition to the annual renewal fee, a sum not to exceed \$20 said , *this sum having been to be determined by the commissioner to and shall be sufficient to restore the balance in the fund to at least \$200,000.*

*Commencing with calendar year 1981, not to exceed \$400,000 of the fund is available for recovery purposes to satisfy all claims authorized for payment each calendar year. This is designated as the recovery portion of the fund. Commencing in calendar year 1981, if the amount remaining in the fund after payment of all amounts authorized during the preceding calendar year for payment to claimants and for payment of all educational and research expenses is less than \$600,000, every licensed real estate broker and real estate salesperson, when renewing a license, shall pay, in addition to the annual renewal fee and the \$5 fee set forth in subdivision 3, a sum not to exceed \$35, this sum to be determined by the commissioner as necessary to restore the balance in the fund to \$600,000.*

Sec. 5. Minnesota Statutes 1978, Section 82.34, Subdivision 5, is amended to read:

Subd. 5. Any funds in excess of \$200,000 shall, upon request of the commissioner, be invested by the state board of investment in the class of securities specified in section 11.16 and acts amendatory thereto. All interest and profits from such the investments shall be are credited to the real estate education, research and recovery fund. The state treasurer shall be is the custodian of securities purchased under the provisions of this section.

Sec. 6. Minnesota Statutes 1978, Section 82.34, Subdivision 6, is amended to read:

Subd. 6. The commissioner, in his discretion, may use any funds in excess of \$200,000 up to \$200,000 in each fiscal year for the following purposes:

(a) To promote the advancement of education and research in the field of real estate for the benefit of those licensed under this chapter;

(b) To underwrite educational seminars and other forms of educational projects for the benefit of real estate licensees;

(c) To establish a real estate chair or courses at Minnesota state institutions of higher learning for the purpose of making such courses available to licensees and the general public;

(d) To contract for a particular educational or research project in the field of real estate to further the purposes of this chapter. ;

(e) To pay the costs of the real estate advisory council established under section 82.30; and

(f) To pay any reasonable costs and disbursements, excluding attorney's fees, incurred in defending actions against the real estate education, research and recovery fund including the cost of mailing or publication of notice pursuant to subdivision 12 and subdivision 14.

Sec. 7. Minnesota Statutes 1978, Section 82.34, Subdivision 7, is amended to read:

Subd. 7. When any aggrieved person obtains a final judgment in any court of competent jurisdiction against any person licensed under this chapter, on grounds of fraudulent, deceptive or dishonest practices, or conversion of trust funds arising directly out of any transaction when the judgment debtor was licensed and performed acts for which a license is required under this chapter, and which cause of action occurred on or after July 1, 1973, the aggrieved person may, upon the judgment becoming final, and upon termination of all proceedings, including reviews and appeals, file a verified application in the court in which the judgment was entered for an order directing payment out of the real estate education, research and recovery portion of the fund of the amount of actual and direct out of pocket loss in such the transaction, but excluding interest on the loss and on any judgment obtained as a result of the loss, up to the sum of \$20,000 of the amount unpaid upon the judgment, provided that nothing in this chapter shall be is construed to obligate the fund for more than \$20,000 per transaction, subject to the limitations set forth in subdivisions 12 and 14, regardless of the number of persons aggrieved or parcels of real estate involved in such the transaction. A copy of the verified application shall be served upon the commissioner and upon the judgment debtor, and a certificate or affidavit of such the service filed with the court.

Sec. 8. Minnesota Statutes 1978, Section 82.34, Subdivision 8, is amended to read:

Subd. 8. The court shall conduct a hearing upon *such the* application 30 days after service of the application upon the commissioner. Upon petition of the commissioner, the court shall continue the hearing up to 60 days further; and upon a showing of good cause may continue the hearing for *such any* further period as the court deems appropriate. At the hearing the aggrieved person shall be *is* required to show that:

(a) He is not a spouse of debtor, or the personal representative of *such the* spouse;

(b) He has complied with all the requirements of this section;

(c) He has obtained a judgment as set out in subdivision 7, stating the amount thereof and the amount owing thereon at the date of application;

(d) He has made all reasonable searches and inquiries to ascertain whether the judgment debtor is possessed of real or personal property or other assets, liable to be sold or applied in satisfaction of the judgment;

(e) *By such Through* the search he has discovered no personal or real property or other assets liable to be sold or applied, or that he has discovered certain of them, describing them, owned by the judgment debtor and liable to be ~~so~~ applied, and that he has taken all necessary action and proceedings for the realization thereof, and that the amount thereby realized was insufficient to satisfy the judgment, stating the amount ~~so~~ realized and the balance remaining due on the judgment after application of the amount realized;

(f) He has diligently pursued his remedies against all the judgment debtors and all other persons liable to him in the transaction for which he seeks recovery from the real estate education, research and recovery fund;

(g) He is making *said the* application no more than one year after the judgment becomes final, or no more than one year after the termination of any review or appeal of the judgment.

Sec. 9. Minnesota Statutes 1978, Section 82.34, Subdivision 9, is amended to read:

Subd. 9. Whenever the court proceeds upon an application as set forth in subdivision 7, it shall order payment out of the real estate education, research and recovery *portion of the* fund only upon a determination that the aggrieved party has a valid cause of action within the purview of subdivision 7 and has complied with the provisions of subdivision 8. The judgment shall be *is* only prima facie evidence of *such the* cause of action and for the purposes of this section shall *is* not be conclusive. The commissioner may defend any *such* action on behalf of the fund and shall have *has* recourse to all appropriate means of defense and review including examination of witnesses. The commissioner may move the

court at any time to dismiss the application when it appears there are no triable issues and the petition is without merit. The motion may be supported by affidavit of any person or persons having knowledge of the facts, and may be made on the basis that the petition, and the judgment referred to therein, does not form the basis for a meritorious recovery claim within the purview of subdivision 7; provided, however, the commissioner shall give written notice at least ten days before ~~such~~ *this* motion. The commissioner may, subject to court approval, compromise a claim based upon the application of an aggrieved party. He ~~shall is not be~~ bound by any prior compromise or stipulation of the judgment debtor.

Sec. 10. Minnesota Statutes 1978, Section 82.34, Subdivision 10, is amended to read:

Subd. 10. The commissioner may defend any ~~such~~ action on behalf of the fund and shall have recourse to all appropriate means of defense and review, including examination of witnesses. The judgment debtor may defend any ~~such~~ action on his own behalf and ~~shall have~~ *has* recourse to all appropriate means of defense and review, including examination of witnesses. Whenever an applicant's judgment is by default, stipulation, or consent, or whenever the action against the licensee was defended by a trustee in bankruptcy, the applicant ~~shall have~~ *has* the burden of proving his cause of action for fraudulent, deceptive or dishonest practices, or conversion of trust funds. Otherwise, the judgment ~~shall create~~ *creates* a rebuttable presumption of the fraudulent, deceptive or dishonest practices, or conversion of trust funds. This presumption is a presumption affecting the burden of producing evidence.

Sec. 11. Minnesota Statutes 1978, Section 82.34, Subdivision 11, is amended to read:

Subd. 11. If the court finds after the hearing that ~~said the~~ claim should be levied against the *recovery* portion of the fund ~~allocated for the purpose of carrying out the provisions of this section~~, the court shall enter an order directed to the commissioner requiring payment from the ~~real estate education, research and recovery portion of the fund of whatever sum it shall find finds to be payable upon the claim pursuant to the provisions of and in accordance with the limitations contained in this section.~~

Sec. 12. Minnesota Statutes 1978, Section 82.34, Subdivision 12, is amended to read:

Subd. 12. (a) Notwithstanding any other provision of this section, the liability of ~~that the recovery~~ portion of the real estate ~~education, research and recovery fund allocated for the purposes of this section to all persons for all losses~~ shall not exceed \$20,000 for any one licensee;

(b) If the \$20,000 liability of the real estate ~~education, research and recovery portion of the fund~~ is insufficient to pay in full the valid claims of all aggrieved persons by whom claims have been filed against any one licensee, ~~such the~~ \$20,000 shall be distributed among them in the ratio that their respective claims bear to the

aggregate of ~~such~~ *the* valid claims or in ~~such~~ *any* other manner as the court deems equitable. Distribution of ~~such~~ *the* moneys shall be among the persons entitled to share therein, without regard to the order of priority in which their respective judgments ~~may~~ have been obtained or their claims have been filed. Upon petition of the commissioner, the court may require all claimants and prospective claimants against one licensee to be joined in one action, to the end that the respective rights of all ~~such~~ claimants to the ~~real estate education, research and recovery~~ *portion of the fund* may be equitably adjudicated and settled.

Sec. 13. Minnesota Statutes 1978, Section 82.34, Subdivision 13, is amended to read:

Subd. 13. Should the commissioner pay from the ~~real estate education, research and recovery~~ *portion of the fund* any amount in settlement of a claim or toward satisfaction of a judgment against a licensed broker or salesperson, the license of the broker or salesperson shall be ~~is~~ automatically suspended upon the effective date of an order by the court as set forth herein authorizing payment from the ~~real estate education, research and recovery~~ *portion of the fund*. No such broker or salesperson shall be granted reinstatement until he has repaid in full, plus interest at the rate of four percent a year, the amount paid from the ~~real estate education, research and recovery~~ *portion of the fund* on his account, ~~and has obtained a surety bond issued by an insurer authorized to transact business in this state in the amount of \$20,000. The bond shall be filed with the commissioner, with the state of Minnesota as obligee, conditioned for the prompt payment to any aggrieved person entitled thereto, of any amounts received by the real estate broker or salesperson or to protect any aggrieved person from loss resulting from fraudulent, deceptive or dishonest practices or conversion of trust funds arising out of any transaction when the real estate broker or salesperson was licensed and performed acts for which a license is required under this chapter. The bond remains operative for as long as that real estate broker or salesperson is licensed. No payment shall be made from the recovery portion of the fund based upon claims against any broker or salesperson who is granted reinstatement pursuant to this subdivision. A discharge in bankruptcy shall does not relieve a person from the penalties and disabilities provided in this section.~~

Sec. 14. Minnesota Statutes 1978, Section 82.34, Subdivision 14, is amended to read:

Subd. 14. If, at any time, the money deposited in the ~~real estate education, research and recovery~~ fund and allocated for purposes other than ~~real estate education and research~~ is insufficient to satisfy any duly authorized claim or portion thereof, the commissioner shall, when sufficient money has been deposited in the ~~real estate education, research and recovery~~ fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally filed, plus accumulated interest at the rate of four percent a year. ~~The commissioner shall satisfy all claims against licensees for which an order pursuant to subdivision~~

*11 directing payment from the recovery portion of the fund has become final during the calendar year. Each claim shall be satisfied by the commissioner in not less than 30 and not more than 90 days following the end of the calendar year in which the order directing payment of the claim becomes final, commencing with calendar year 1981. If, at the end of any calendar year, the commissioner determines that the courts have issued orders which have become final during that year directing payment out of the recovery portion of the fund in a total amount in excess of \$400,000, the commissioner shall allocate the \$400,000 available for recovery purposes among all claimants in the ratio that the amount ordered paid to each claimant bears to the aggregate of all amounts ordered paid. The commissioner shall mail notice of the allocation to all claimants not less than 45 days following the end of the calendar year. Any claimant who objects to the plan of allocation shall file a petition in the district court of Ramsey or Hennepin County within 20 days of the mailing of notice setting forth the grounds for objection. Upon motion of the commissioner the court shall summarily dismiss the petition and order distribution in accordance with the proposed plan of allocation unless it finds substantial reason to believe that the distribution would be in violation of the provisions of this section. If a petition is filed, no distribution shall be made except in accordance with a final order of the court. In the event no petition is filed within 20 days of the mailing of notice, the commissioner shall make a distribution in accordance with the plan of allocation. Any distribution made by the commissioner in accordance with this subdivision is deemed to satisfy and extinguish the claims of any claimant receiving a distribution against the recovery portion of the fund.*

Sec. 15. Minnesota Statutes 1978, Section 82.34, Subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said *these* sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

Sec. 16. Minnesota Statutes 1978, Section 82.34, Subdivision 16, is amended to read:

Subd. 16. It shall be *is* unlawful for any person or the agent of any person to knowingly file with the commissioner any notice, statement, or other document required under the provisions of this section which is false or untrue or contains any material misstatement of fact. ~~Such~~ *This* conduct shall constitute *constitutes* a gross misdemeanor.

Sec. 17. Minnesota Statutes 1978, Section 82.34, Subdivision 17, is amended to read:

Subd. 17. When, upon the order of the court, the commissioner

has paid from the real estate education, research and recovery portion of the fund any sum to the judgment creditor, the commissioner shall be is subrogated to all of the rights of the judgment creditor to the extent of the amount so paid and the judgment creditor shall assign all his right, title and interest in the judgment to the extent of the amount so paid to the commissioner and any amount and interest so recovered by the commissioner on the judgment shall be deposited to with the fund.

Sec. 18. Minnesota Statutes 1978, Section 82.34, Subdivision 18, is amended to read:

Subd. 18. Nothing contained in this section shall limit limits the authority of the commissioner to take disciplinary action against any licensee under other provisions of this chapter; nor shall the repayment in full of all obligations to the real estate education, research and recovery portion of the fund by any licensee nullify or modify the effect of any other disciplinary proceeding brought pursuant to the provisions of this chapter.

Sec. 19. Minnesota Statutes 1978, Section 82.34, is amended by adding a subdivision to read:

*Subd. 20. Claims for which orders for payment have become final prior to January 1, 1981 shall be paid in accordance with Minnesota Statutes 1978, Section 82.34, but are subject to the limitations set forth in subdivisions 7 and 12. If at any time the amount deposited in the recovery portion of the fund is insufficient to satisfy any duly authorized claim or portion thereof for which an order directing payment has become final prior to January 1, 1981, the commissioner shall treat the unpaid claims or portions thereof as if entered pursuant to orders which become final in the calendar year 1981. Those claims shall be paid in accordance with the procedure set forth in subdivision 14 and are subject to the limitations set forth in subdivisions 4 and 14.*

Sec. 20. Minnesota Statutes 1978, Section 82.34, Subdivision 2, is repealed.

Sec. 21. *This act is effective the day following its final enactment.*"

Amend the title as follows:

Page 1, line 7, after "82.34" insert ", Subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18, and by adding a subdivision; Minnesota Statutes, 1979 Supplement, Section 82.21, Subdivision 1; repealing Minnesota Statutes 1978, Section 82.34, Subdivision 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2100: A bill for an act relating to trade regulations;

providing limits on formaldehyde concentrations emitted from building materials and insulation; prohibiting certain transactions; providing remedies; prescribing penalties; amending Minnesota Statutes 1978, Section 325.907, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [144.704] [FORMALDEHYDE RULES.] Within 30 days after the effective date of this section the commissioner of health shall determine if a significant health problem is presented by the use of building materials that emit formaldehyde gases. If he determines that such a problem exists he shall promulgate rules pursuant to chapter 15, including emergency rules, establishing standards governing the sale of building materials and housing units that contain products made with urea formaldehyde.

Sec. 2. [325.991] [DUTY OF MANUFACTURER.] Subdivision 1. No manufacturer shall sell any building materials and no builder shall sell or lease a housing unit containing urea formaldehyde unless the manufacturer or builder has made the following written disclosure to any purchaser of the materials or housing unit or lessee of the housing unit: “WARNING. THIS PRODUCT [HOUSING UNIT] CONTAINS THE CHEMICAL FORMALDEHYDE. FOR SOME PEOPLE FORMALDEHYDE MAY CAUSE HEALTH PROBLEMS, SUCH AS IRRITATION OF THE EYES, NOSE AND THROAT, SNEEZING, COUGHING, HEADACHES, SHORTNESS OF BREATH, OR CHEST OR STOMACH PAINS. CHILDREN UNDER THE AGE OF TWO, ELDERLY PEOPLE, PEOPLE WITH BREATHING PROBLEMS OR PEOPLE WITH ALLERGIES MAY HAVE MORE SERIOUS DIFFICULTIES. IF YOU HAVE QUESTIONS ABOUT PROBLEMS YOU MAY HAVE WITH FORMALDEHYDE, CONSULT A DOCTOR.”

Subd. 2. The disclosure required by subdivision 1 shall be made clearly and conspicuously on the label or written warranty of the materials in a manner designed to attract the attention of a prospective buyer or user. If the product or housing unit has neither a label nor a written warranty the disclosure shall be made in a separate writing included with the product or housing unit.

Subd. 3. The manufacturer of a product or builder of a housing unit that contains materials made with urea formaldehyde shall pay the reasonable cost of repair or relocation if the consumer can document that the housing unit contains a significant ambient air level of formaldehyde and in addition has documented medical records of illness related to formaldehyde and a statement from a physician that the consumer must vacate the premises. The party who has received the claim has the right to test the ambient air level of the housing unit at reasonable times.

If within 30 days after the presentation of the items set forth above the manufacturer or builder and the consumer do not agree on a remedy the consumer may bring suit to recover the reasonable cost of repair or relocation plus reasonable attorneys' fees. Notwithstanding the remedy under this subdivision, the consumer may bring an action for personal injury, if any, if the action is commenced within one year from the presentation of the items required by this subdivision.

Subd. 4. If the commissioner of health determines pursuant to section 1 that there does not exist a significant health problem, the provisions of this section are not effective.

Sec. 3. [EFFECTIVE DATE.] Section 1 and section 2, subdivisions 3 and 4, are effective the day following final enactment. Section 2, subdivisions 1 and 2, are effective January 1, 1981."

Amend the title as follows:

Page 1, line 6, delete everything after "penalties" and insert a period

Page 1, delete line 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1779: A bill for an act relating to judicial procedures; changing the procedures and circumstances under which guardians and conservators may be appointed; clarifying the powers and duties of guardians and conservators; providing for the appointment, powers, and duties of guardians and conservators of minors; amending Minnesota Statutes 1978, Sections 525.54; 525.541; 525.542; 525.543; 525.544; 525.55; 525.56; 525.57; 525.58; 525.581; 525.583; 525.59; 525.591; 525.60, Subdivision 1; 525.62; 525.63; 525.67; 525.69; 525.83; and Chapter 525, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 525.551; and 525.61; repealing Minnesota Statutes 1978, Sections 525.60, Subdivision 2; 525.611; 525.612; 525.613; 525.614; and 525.621.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Chapter 525, is amended by adding a section to read:

[525.539] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 525.54 to 525.5515; 525.56; 525.57 to 525.581; 525.583 to 525.61; 525.62; 525.63; 525.67; and 525.69, the following terms shall have the meanings given them.*

*Subd. 2. "Guardian" means a person who is appointed by the*

*court to exercise all of the powers and duties designated in section 525.56 for the care of an incapacitated person or his estate, or both.*

*Subd. 3. "Conservator" means a person appointed by the court to exercise some, but not all, of the powers designated in section 525.56 for the care of an incapacitated person or his estate, or both.*

*Subd. 4. "Ward" means an incapacitated person for whom the court has appointed a guardian.*

*Subd. 5. "Conservatee" means an incapacitated person for whom the court has appointed a conservator.*

Sec. 2. Minnesota Statutes 1978, Section 525.54, is amended to read:

525.54 [ADULTS SUBJECT TO GUARDIANSHIP AND CONSERVATORSHIP.] Subdivision 1. [ADULTS SUBJECT TO GUARDIANSHIP AND CONSERVATORSHIP.] *Upon petition as provided in this chapter, the court, if satisfied of the need therefor, may appoint one or two persons suitable and competent to discharge the trust as guardians of the person or estate or of both or as conservators of the person or the estate or of both, of any incapacitated person who is a minor, who because of old age, or imperfection or deterioration of mentality is incompetent to manage his person or estate, who because of excessive intoxication, gambling, idleness, or debauchery, so spends or wastes his estate or injures his person as to be likely to expose himself or his family to want or suffering, or who, though not otherwise incompetent to manage his person or estate, requests the court to appoint such a guardian, provided such person is a resident of the county or being a nonresident of this state has property in the county. No guardian of the person of any minor shall be appointed while proceedings for his care and custody are pending in any juvenile court of this state. Nothing herein contained shall diminish the power of any court to appoint a guardian to serve or protect the interest of any minor or other person under disability in any proceedings therein, nor abridge the rights of the father and mother, if suitable and competent, as the natural guardians of their minor children. The standard of proof in contested cases shall be that of clear and convincing evidence.*

Subd. 2. [GUARDIANSHIP OR CONSERVATORSHIP OF THE PERSON.] *The court may appoint one or two persons, suitable and competent to discharge the trust as conservators of the person or estate or of both of any person who is a minor, or who because of old age or other cause is unable properly to care for himself or for his property, or who because of old age or other cause is likely to be deceived or imposed upon by artful or designing persons, or who, for these causes or other cause requests the court to appoint such a conservator and establishes to the satisfaction of the court the need thereof, provided such person is a resident of the county or being a non-resident of this state has property in the county. No conservator of the person of any minor shall be appointed while proceedings for his care and custody are*

pending in any juvenile court of this state. "Incapacitated person" means, in the case of guardianship or conservatorship of the person, any adult person who is impaired by reason of mental condition to the extent that he lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his person, and who has demonstrated deficits in behavior which evidences his inability to meet essential requirements for his health or safety. "Unable to meet essential requirements for his health or safety" means unable to meet his needs for medical care, nutrition, clothing, shelter, or safety so that, in the absence of guardianship or conservatorship, injury or illness is likely to occur in the near future.

Subd. 3. [GUARDIANSHIP OR CONSERVATORSHIP OF THE ESTATE.] Appointment of a guardian or conservator may be made in relation to the estate and financial affairs of an adult person: (a) voluntarily, upon the person's request if the court is satisfied of the need thereof, or (b) involuntarily, upon the court's determination that (1) that person is unable to manage his property and affairs effectively because he is an incapacitated person, and (2) he has property which will be wasted or dissipated unless proper management is provided, or that funds are needed for the support, care and welfare of the person or those entitled to be supported by him and (3) no less restrictive form of intervention is available which will adequately protect his estate or financial affairs. "Incapacitated person" means, in the case of guardianship or conservatorship of the estate of an adult, any adult person who is impaired by reason of mental condition to the extent that he lacks sufficient understanding or capacity to make or communicate responsible decisions concerning his estate or financial affairs, and who has demonstrated deficits in behavior which evidences his inability to manage his estate.

Subd. 4. Appointment of a guardian is evidence of the incompetency of the incapacitated person.

Subd. 5. Appointment of a conservator is not evidence of incompetency of the incapacitated person, and does not remove or modify any civil or legal right of the incapacitated person except as specifically ordered by the court, pursuant to section 525.551. The appointment of a conservator shall not deprive the conservatee of the right to vote or to marry if otherwise competent.

Subd. 6. Nothing contained in this section shall diminish the power of the court to appoint a guardian to serve or protect the interest of any person under disability in any proceedings therein.

Sec. 3. Minnesota Statutes 1978, Section 525.541, is amended to read:

525.541 [PETITIONERS.] Any person may petition for the appointment of a guardian or guardians or conservator or conservators for any person believed to be subject to guardianship or conservatorship, provided that. The petition of a an adult person over the age of 14 years for the appointment of a guardian or guardians or conservator or conservators of his own person or estate, and the petition of any person nominated by the will of a

deceased parent with the written consent of the other parent if living and not under disability, for the appointment of a guardian or conservator or guardians or conservators for their minor child shall have priority over the petition of any other person. When any minor under guardianship or conservatorship attains the age of 14 years, he may petition for the appointment of a guardian or conservator or guardians or conservators nominated by him in lieu of the guardians or conservators theretofore appointed.

Sec. 4. Minnesota Statutes 1978, Section 525.542, is amended to read:

525.542 [CONTENTS OF PETITION.] The petition shall show (1) the name and address of the person for whom a guardian or conservator, is sought, (2) the date and place of his birth, (3) if he be a minor, the names and addresses of his parents, or if the parents be dead or have abandoned the minor, the names and addresses of his custodians and of any person named as testamentary guardians or conservators in the will of a decedent, (4) if he be not a minor, children, and siblings, and in the event that none of these persons are living, the names and addresses of his nearest kindred, (5) (4) if he be is married, the name and address of his spouse, (6) (5) the reasons for the guardianship or conservatorship, including specific factual information which the petitioner believes supports the need for appointment of a guardian or conservator, such as mental and physical condition, financial transactions, personal actions, or actual occurrences which are claimed to demonstrate his inability to manage his estate, or to provide for personal needs for food, clothing, shelter or health care, (6) the powers the petitioner believes are necessary in order for a guardian or conservator to protect and supervise the proposed ward's or conservatee's person or property, (7) the probable value and general character of his real and personal property and the probable amount of his debts, (8) the names, ages, addresses, and occupations of the proposed guardians or conservators.

Sec. 5. Minnesota Statutes 1978, Section 525.543, is amended to read:

525.543 [LIS PENDENS.] After the filing of the petition, a certificate of the probate court certified to that fact may be filed for record in the office of the county recorder of any county in which any real estate owned by the proposed ward or conservatee is situated and if a resident of this state, in the county of his residence. Such The certificate shall state that such a petition is pending and the name and address of the person for whom a guardian or conservator is sought. If a guardian or conservator be is appointed on such the petition, and, in the case of a conservatorship, if the letters of conservatorship remove or restrict the right of the conservatee to transfer property or to contract, then all contracts except for necessities, and all transfers of real or personal property made by the ward or conservatee after such the filing and before the termination of the guardianship or conservatorship shall be void.

Sec. 6. Minnesota Statutes 1978, Section 525.544, is amended to read:

525.544 [PLANNING PROVISIONS.] In the petition or in a written instrument executed before or after the petition is filed, the person may, if at the time of signing the same, he has sufficient capacity to form an intelligent preference, nominate a conservator or guardian or give instructions to the conservator or guardian or he may do both. The written instrument shall be executed and attested in the same manner as a will. The court shall appoint the person so nominated as conservator or guardian and shall charge him with the instructions, unless the court finds that the appointment of the nominee or the instructions or both are not in the best interests of the person to be placed under conservatorship or guardianship. When any person lacks capacity or fails to nominate a conservator or guardian, the court may appoint any qualified person. If *the* proposed ward or conservatee lacks capacity or fails to give instructions, the court may give such powers as required *in accordance with section 525.56.*

Sec. 7. Minnesota Statutes 1978, Section 525.55, is amended to read:

525.55 [NOTICE OF HEARING.] *Subdivision 1. If the petition be made by the person for whom a guardian or conservator is sought, or by a parent, custodian, or testamentary guardian or conservator of a minor under the age of 14 years, the court may hear the same with or without notice. In all other cases, upon the filing of the petition the court shall fix the time and place for the hearing and shall order that notice be given thereof. At least 14 days prior to such time the hearing, personal service of the notice shall be made upon the proposed ward or conservatee. If he has a spouse, custodian, or if there be a testamentary guardian or conservator named in the will of a decedent, notice shall be given to such persons and to such of the nearest kindred and in such manner as the court may direct. Notice shall also be served on his spouse, parents, adult children, siblings, next of kin, and on any other persons the court may direct by mail postmarked at least 14 days prior to the hearing. If he be is a patient or resident of any hospital or asylum other institution, notice by mail shall be given to the superintendent administrative head thereof. If he be is a non-resident or if after diligent search he cannot be found in this state, notice shall be given in such the manner and to such persons as the court may determine.*

*Subd. 2. The notice shall be written in language which can be easily understood. Included with the notice shall be a copy of the petition. The notice shall contain information regarding the nature, purpose and legal effects of the guardianship or conservatorship proceedings on the proposed ward or conservatee. The notice shall state that he may be adjudged incapable of caring for his person or property, and by reason thereof, a guardian or conservator may be appointed for him, and that the adjudication may transfer to the appointed guardian or conservator certain rights, including his right to manage and control property, to enter into contracts and to determine his residence. The notice shall further contain information regarding the rights of the proposed ward or conservatee in the proceeding, including his right to attend the*

*hearing, to be represented by an attorney, to oppose the proceeding, and to present evidence. The notice shall state that if the proposed ward or conservatee wishes to exercise the right to be represented by an attorney, he must either obtain counsel of his own choice, or ask the court to appoint an attorney to represent him, and that the county shall pay a reasonable attorney's fee if he is indigent. The procedure for requesting a court appointed attorney shall be described in the notice.*

*The process server shall inquire whether the proposed ward or conservatee desires the notice and petition to be read to him, and shall read the notice and petition if requested to do so.*

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 525.551, is amended to read:

525.551 [HEARING; APPOINTMENT; BOND; PROSECUTION; NOTICE.] Subdivision 1. [ATTENDANCE AT HEARING.] Upon proof of the petition, the court shall appoint one or two persons suitable and competent to discharge the trust as general guardians or conservators of the person or estate or of both. Upon the filing of a bond in an amount as the court may direct and an oath according to law, or upon the filing of an acceptance of the trust pursuant to section 48.70, letters of guardianship or conservatorship shall issue. If there be no personal property, the court may waive the filing of a bond, but if the guardian or conservator receives or becomes entitled to any such property he shall immediately file a report thereof and a bond in such amount as the court may direct. In case of breach of any condition of the bond an action thereon may be prosecuted by leave of the court by any interested person. If the ward or conservatee be a patient of a state hospital for the mentally ill, or committed to the guardianship or conservatorship of the commissioner of public welfare as mentally retarded, epileptic, dependent and neglected or is under the temporary custody of the commissioner of public welfare, the court shall notify the commissioner of public welfare of the appointment of a guardian or conservator or successor guardian or conservator of the estate of the ward or conservatee. *If the proposed ward or conservatee is within the state, he shall be present at the hearing unless he is not able to attend by reason of medical condition as evidenced by a letter from a licensed physician. The letter shall be evidence only of the proposed ward's or conservatee's medical inability to attend the hearing, and shall not be considered in determining the issue of his incapacity. In any instance in which a proposed ward or conservatee is absent from the hearing, the court shall specify in its findings of fact the reason for nonattendance.*

Subd. 2. [INTERCHANGEABILITY OF PETITION.] If the circumstances warrant, the court may treat a petition for guardianship as a petition for conservatorship.

Subd. 3. [CONDUCT OF HEARING; BURDEN OF PROOF.] *The proposed ward or conservatee has the right to summon and cross-examine witnesses. The rules of evidence shall apply, and no hearsay evidence which is not otherwise admissible by exception in a court of law shall be admitted into evidence. In the proceedings,*

*there is a legal presumption of capacity and the burden of proof shall be on the petitioner.*

**Subd. 4. [RECORD OF PROCEEDINGS.]** *In all contested proceedings the court shall take and preserve an accurate stenographic record or tape recording of the proceedings.*

**Subd. 5. [FINDINGS.]** *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.*

*If upon completion of the hearing and consideration of the record the court finds: (1) that the proposed ward or conservatee is incapacitated as defined in section 525.54; and (2) in need of the supervision and protection of a guardian or conservator; and (3) that no appropriate alternatives to the guardianship or conservatorship exist which are less restrictive of the person's civil rights and liberties it shall enter judgment specifying the powers of the guardian or conservator pursuant to section 525.56. Before appointing a guardian or conservator, the court shall make a finding that the person to be appointed as guardian or conservator is the most suitable and best qualified person among those who have indicated to the court that they are available and willing to discharge the trust.*

*The court shall enumerate in its findings which legal rights the proposed ward or conservatee is incapable of exercising.*

**Subd. 6. [BOND.]** *Upon the filing of a bond in an amount the court may direct and an oath according to law, or upon the filing of an acceptance of the trust pursuant to section 48.79, letters of guardianship or conservatorship shall issue. If there is no personal property, the court may waive the filing of a bond, but if the guardian or conservator receives or becomes entitled to any property of the ward or conservatee he shall immediately file a report thereof and a bond in an amount the court may direct. In case of breach of a condition of the bond an action thereon may be prosecuted by leave of the court by any interested person.*

**Subd. 7. [NOTIFICATION OF COMMISSIONER OF PUBLIC WELFARE.]** *If the ward or conservatee is a patient of a state hospital for the mentally ill, or committed to the guardianship or conservatorship of the commissioner of public welfare as mentally retarded or dependent and neglected or is under the temporary custody of the commissioner of public welfare, the court shall notify the commissioner of public welfare of the appointment of a conservator or successor conservator of the estate of the conservatee.*

**Sec. 9. Minnesota Statutes 1978, Chapter 525, is amended by adding a section to read:**

**[525.5515] [LETTERS OF GUARDIANSHIP OR CONSERVATORSHIP.]** *Subdivision 1. A copy of the order appointing the guardian or conservator shall be served upon the ward or conservatee and his counsel, if he was represented at the hearing. The*

*order shall be accompanied by a notice which advises the ward or conservatee of his right to appeal the guardianship or conservatorship appointment within 30 days.*

*Subd. 2. Letters of guardianship or conservatorship shall contain: (a) the name, address and telephone number of the guardian or conservator; (b) the name, address and telephone number of the ward or conservatee; (c) the nature and scope of the guardianship or conservatorship; (d) the specific powers and legal limitations imposed by the court on the guardian or conservator; and (e) a specific listing of the legal rights the ward or conservatee is not able to exercise.*

*Subd. 3. Letters of guardianship or conservatorship shall issue to the guardian or conservator. Copies shall be mailed or personally served on the ward or conservatee, his counsel, if he was represented at the hearing, the relatives of the ward or conservatee whose names and addresses appear on the original petition, and any other person, institution, organization or agency which the court deems reasonable to notify under the circumstances of the guardianship or conservatorship.*

Sec. 10. Minnesota Statutes 1978, Section 525.56, is amended to read:

**525.56 [GUARDIAN'S OR CONSERVATOR'S POWERS AND DUTIES.]** Subdivision 1. A guardian or conservator shall be subject to the control and direction of the court at all times and in all things.

*Subd. 2. A general guardian or conservator of the person shall have charge of the person of the ward or conservatee. The court shall grant to a guardian or conservator only those powers necessary to provide for the demonstrated needs of the ward or conservatee.*

*Subd. 3. The court may appoint a guardian of the person if it determines that all of the powers and duties listed in this subdivision are needed to provide for the needs of the incapacitated person. The court may appoint a conservator of the person if it determines that a conservator is needed to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this subdivision. The duties and powers which the court may grant to a guardian or conservator of the person include, but are not limited to:*

*(1) The power to have custody of the ward or conservatee and the power to establish his place of abode within or without the state, except as otherwise provided in this clause. The ward or conservatee or any person interested in his welfare may petition the court to prevent or to initiate a change in abode. A ward or conservatee may not be admitted to any state institution by his guardian or conservator except after a hearing pursuant to section 253A.07.*

*(2) The duty to provide for the ward's or conservatee's care, comfort and maintenance needs, including food, clothing, shelter,*

health care, social and recreational requirements, and, whenever appropriate, training, education and rehabilitation. The guardian or conservator has no duty to pay for these requirements out of his own funds. Whenever possible and appropriate, the guardian or conservator has the duty to meet these requirements through governmental benefits or services to which the ward or conservatee is entitled, rather than from the ward's or conservatee's estate.

(3) The duty to take reasonable care of the ward's or conservatee's clothing, furniture, vehicles and other personal effects, and, if other property requires protection, the power to seek appointment of a guardian or conservator of the estate. The guardian or conservator must give notice in the manner required and to those persons specified in section 525.55 prior to the disposition of the ward's or conservatee's clothing, furniture, vehicles or other personal effects. The notice must inform the person that he has the right to object to the disposition of the property within ten days and to petition the court for a review of the guardian's or conservator's proposed actions. Notice of the objection and of the date of the hearing must be personally served on the guardian or conservator and the ward or conservatee. If the guardian or conservator is served with notice of an objection to the disposition of the property he may not dispose of the property unless the court approves the disposition after a hearing.

(4) (a) The power to give any necessary consent to enable the ward or conservatee to receive necessary medical or other professional care, counsel, treatment or service, except that no guardian or conservator may give consent for psychosurgery, electroshock, sterilization or experimental treatment of any kind unless the procedure is first approved by order of the court as provided in this clause.

(b) A guardian or conservator who believes a procedure described in clause (4)(a) requiring prior court approval to be necessary for the proper care of the ward or conservatee shall petition the court for an order. The court shall fix the time and place for the hearing and shall give notice to the ward or conservatee and to the other persons specified in section 525.55, subdivision 1. The notice shall comply with the requirements of and be served in the manner provided in section 525.55, subdivision 2. The court shall appoint an attorney to represent the ward or conservatee, unless he has counsel of his own choice. In every case the court shall determine if the procedure is in the best interests of the ward or conservatee. In making its determination the court shall consider a written medical report which specifically considers the medical risks of the procedure and whether alternative, less restrictive methods of treatment could be used to protect the best interests of the ward or conservatee.

(c) In the case of a petition for sterilization of a mentally retarded ward or conservatee, the court shall appoint a licensed physician, a psychologist who is qualified in the diagnosis and treatment of mental retardation, and a social worker who is familiar with the ward's or conservatee's social history and adjustment to examine or evaluate the ward or conservatee and to provide

written reports to the court. The reports shall indicate whether sterilization is necessary and whether it is in the best interests of the ward or conservatee. The medical report shall specifically consider the medical risks of sterilization and whether alternative methods of contraception could be used to protect the best interests of the ward or conservatee.

(5) The power to approve or withhold approval of any contract, except for necessities, which the ward or conservatee may make or wish to make.

(6) The duty and power to exercise supervisory authority over the ward or conservatee in a manner which limits his civil rights and restricts his personal freedom only to the extent necessary to provide needed care and services.

Subd. 3 4 . A general guardian or conservator of the estate shall The court may appoint a guardian of the estate if it determines that all of the powers and duties listed in this subdivision are needed to provide for the needs of the incapacitated person. The court may appoint a conservator of the estate if it determines that a conservator is necessary to provide for the needs of the incapacitated person through the exercise of some, but not all, of the powers and duties listed in this subdivision. The duties and powers which the court may order include, but are not limited to:

(1) The duty to pay the reasonable charges for the support, maintenance, and education of the ward or conservatee in a manner suitable to his station in life and the value of his estate; but. Nothing herein contained shall release parents from obligations imposed by law for the support, maintenance, and education of their children. The guardian or conservator has no duty to pay for these requirements out of his own funds. Wherever possible and appropriate, the guardian or conservator has the duty to meet these requirements through governmental benefits or services to which the ward or conservatee is entitled, rather than from the ward's or conservatee's estate;

(2) The duty to pay out of the ward's or conservatee's estate all just and lawful debts of the ward or conservatee and the reasonable charges incurred for the support, maintenance, and education of his wife the ward's or conservatee's spouse and dependent children and, upon order of the court, pay such sum as the court may fix as reasonable for the support of any person unable to earn a livelihood who is or may become legally entitled to support from the ward or conservatee;

(3) The duty to possess and manage the estate, collect all debts and claims in favor of the ward or conservatee, or, with the approval of the court, compromise the same them, institute suit on behalf of the ward or conservatee and represent the ward or conservatee in any court proceedings, and invest all funds not currently needed for the debts and charges named in clauses (1) and (2) and the management of the estate, in accordance with the provisions of sections 48.84; and 501.125, subdivision 1 and section 51.29, subdivision 2. Where a bank or trust company is a guardian

or conservator, with or without coguardians or coconservators, it may invest in such securities without approval of the probate court, but the investments of by other guardians or conservators in such securities shall be subject to the approval of the probate court except as otherwise specifically provided by law. A guardian or conservator shall also have the power to purchase certain contracts of insurance as provided in section 50.14, subdivision 14(b);

(4) Where a ward or conservatee has inherited an undivided interest in real estate, the court, on a showing that it is for the best interest of the ward or conservatee, may authorize an exchange or sale of the ward's or conservatee's interest or a purchase by the ward or conservatee of any interest other heirs may have in the real estate.

Sec. 11. Minnesota Statutes 1978, Section 525.57, is amended to read:

**525.57 [TRANSFER OF VENUE.]** When it is for the best interest of the ward or conservatee or his estate the venue may be transferred to another county. Upon the filing of a petition by any person interested in the ward or conservatee or in his estate the court shall fix the time and place for the hearing thereof, *and shall give notice of which shall be given to such the persons and in such the manner as the court may direct required by section 525.55.* Upon proof that a transfer of venue is for the best interest of the ward or conservatee or his estate, and upon the settlement and allowance of the guardian's or conservator's accounts to the time of such the hearing, the court shall transmit the entire file to the court of such the other county in which where all subsequent proceedings shall be had held.

Sec. 12. Minnesota Statutes 1978, Section 525.58, is amended to read:

**525.58 [FILING OF ACCOUNTS; FILING OF AFFIDAVIT.]**  
*Subdivision 1.* Except where expressly waived by the court, every guardian or conservator annually shall file with the court within 30 days of the anniversary date of the guardian's or conservator's appointment a verified account covering the period from the date of appointment or his last account. *The guardian or conservator shall give a copy of the annual account to the ward or conservatee. The court or its designee shall annually review the court file to insure that the account has been filed and that the account contains the information required by this section. If an account has not been filed or if the account does not contain the information required by this section the court shall order the guardian or conservator to file an appropriate account. The examination and acceptance shall not constitute an adjudication or determination of the merits of the account filed nor shall it constitute the court's approval of the account.* At the termination of the guardianship or conservatorship, or upon the guardian's or conservator's removal or resignation, he or his surety, or in the event of his death or disability, his representative or surety shall file a verified final account with a petition for the settlement and allowance thereof. Every account shall show in detail all property received and dis-

bursed, the property on hand, the present address of the ward or conservatee and of the guardian or conservator, and unless the guardian or conservator be a corporation, the amount of the bond, the names and addresses of all sureties thereon, that each unincorporated surety is a resident of this state, is not under disability, and is worth the amount in which he justified.

*Subd. 2. Except where expressly waived by the court after a finding that the ward or conservatee is so incapacitated as to be unable to understand any notice, every guardian or conservator shall annually give notice to the ward or conservatee of his right to petition for restoration to capacity, discharge of guardian or conservator, or modification of the orders of guardianship or conservatorship. The notice shall describe the procedure for preparing and filing such a petition. Notice shall also inform the ward or conservatee that after a petition is filed the court will hold a hearing on the matter and that he has the right to be present and to be represented by counsel at the hearing. The form of the notice shall be approved or supplied by the court.*

*Subd. 3. Except where expressly waived by the court as provided in subdivision 2, every guardian or conservator shall file annually with the court an affidavit stating that he has given a copy of the annual account and the notice required by subdivision 2 to the ward or conservatee.*

Sec. 13. Minnesota Statutes 1978, Section 525.581, is amended to read:

**525.581 [NOTICE OF HEARING ON ACCOUNT.]** The court on its own motion may, or upon the petition of the guardian or conservator, ward, conservatee, or any person interested in the ward or conservatee or his estate shall, fix the time and place for the hearing on any account, notice of which shall be given in such manner to the ward or conservatee and to such other persons as the court may direct. Wherever any funds have been received from the veterans' administration, notice by mail shall be given to the regional office having charge thereof.

Sec. 14. Minnesota Statutes 1978, Section 525.583, is amended to read:

**525.583 [ALLOWANCE AND WAGES OF CONSERVATEE; LIMITED ACCOUNTABILITY OF CONSERVATOR.]** The court, upon its own motion or upon petition of the conservator or conservatee, may authorize or direct the conservator to pay to the conservatee out of the conservatorship estate a reasonable allowance for the personal use of the conservatee in such the amount as the court may determine to be for the best interests of the conservatee. Unless otherwise ordered by the court, if the conservatee shall at any time during the continuance of the conservatorship be employed, his wages or salary for employment shall not be a part of the conservatorship estate and the wages and salaries shall be paid to the conservatee and shall be subject to his control to the same extent as if the conservatorship did not exist. The conservator shall not be accountable for such the allowances or wages and salary.

Sec. 15. Minnesota Statutes 1978, Section 525.59, is amended to read:

**525.59 [SUCCEEDING GUARDIAN OR CONSERVATOR.]** If a guardian or conservator dies, resigns, or is removed, the court ~~with or without notice~~ may appoint a successor ~~with at least 14 days prior notice to the ward or conservatee, his spouse, parents, adult children and siblings, and to other persons as the court may direct.~~ If the ward or conservatee has capacity to do so, he may nominate a person to serve as successor or may give instructions to the succeeding guardian or conservator or he may do both. The court shall appoint the person so nominated and shall charge him with the instructions, unless the court finds that the appointment of the nominee or the instructions or both are not in the best interests of the ward or conservatee.

Sec. 16. Minnesota Statutes 1978, Section 525.591, is amended to read:

**525.591 [SPECIAL GUARDIAN OR CONSERVATOR.]** *Subdivision 1.* Any person may file a verified petition for a special guardian or conservator. The petition shall contain: (a) all of the information required in section 525.542; (b) the reasons that the petitioner believes the proposed ward or conservatee is in need of a special guardian or conservator; and (c) the reasons why the regular procedure for obtaining guardianship or conservatorship is not appropriate.

*Subd. 2.* Upon a clear showing of necessity or expediency, the court with ~~or without~~ notice may appoint a special guardian or conservator of the person or estate or both of any adult person designated in section 525.54, whether a petition for general guardianship or conservatorship has been filed or not. Notice shall be given in language which can be easily understood at least 24 hours prior to the hearing, and shall contain the information required by section 525.55, subdivision 2, regarding the purpose of the hearing and the rights of the proposed ward or conservatee. A copy of the petition shall be served with the notice. The court may waive the 24 hour notice requirement upon a showing that immediate and reasonably foreseeable harm to the person or his estate will result from the 24 hour delay. Notice of the court's order shall be given to the proposed ward or conservatee.

*Subd. 3.* There shall be no An appeal may be taken from any order appointing or refusing to appoint a special guardian or conservator. A special guardian or conservator of the person shall have charge of the person of the ward or conservatee. A special guardian or conservator of the estate shall collect the assets and conserve the estate, unless his powers are limited by the court in the order of appointment and in the letters to the performance of specified acts. Upon a showing of necessity or expediency, the court with ~~or without~~ notice may expressly confer upon a special guardian or conservator power to perform any or all acts in the administration of the guardianship or conservatorship, not exceeding the powers conferred by law upon general guardians or conser-

voters *The appeal shall be handled on an expedited basis by the district court.*

*Subd. 4. The court shall grant to a special guardian or conservator only those powers necessary to provide for the demonstrated needs of the ward or conservatee. Subject to this limitation the court may grant any of the powers specified in section 525.56.*

*Subd. 5. Within 14 days after appointment, a special guardian or conservator of the estate shall file an inventory and appraisal of the personal property according to the requirements of sections 525.561 and 525.562. The court shall specify in its order the duration of the special guardianship or conservatorship. At the expiration of the time specified in the court's order, or upon the granting of letters of general guardianship or conservatorship, the power of a special guardian or conservator shall cease, and he shall proceed forthwith to a final accounting. When a special guardian or conservator has been appointed to protect the ward's or conservatee's interest in any matter wherein the interest of the general guardian or conservator appears to conflict with that of the ward or conservatee, or to protect the ward's or conservatee's interest upon suspension of an order of removal of a general guardian or conservator by appeal, the power of such the special guardian or conservator shall not cease until terminated by the court.*

Sec. 17. Minnesota Statutes 1978, Section 525.60, Subdivision 1, is amended to read:

525.60 [TERMINATION.] Subdivision 1. A guardianship or conservatorship of a minor shall terminate upon his death or upon his attainment of legal age. The marriage of a female ward or conservatee under guardianship or conservatorship as a minor only and not under a juvenile court guardianship or conservatorship shall terminate the guardianship or conservatorship of her person but not of her estate. The guardianship or conservatorship of a *an adult ward or conservatee other than a minor* shall terminate upon his death or upon his *the ward's or conservatee's* restoration to capacity. When there is no further need for any guardianship or conservatorship, the court may terminate the same upon such notice as it may direct. *Termination does not affect a guardian's or conservator's liability for prior acts, nor his obligation to account for funds and assets of his ward or conservatee.*

Sec. 18. Minnesota Statutes, 1979 Supplement, Section 525.61, is amended to read:

525.61 [RESTORATION TO CAPACITY; MODIFICATION OF GUARDIANSHIP OR CONSERVATORSHIP.] Any *adult* person who is under guardianship or conservatorship *←except as a minor, or as a feeble-minded or epileptic person, or a person under guardianship or conservatorship in the juvenile court→*; or his guardian or conservator, or any other person interested in him or his estate may petition the court in which he was so adjudicated to be restored to capacity or to have a guardianship transferred to a conservatorship or to modify the guardianship or conservatorship. Upon the filing of a *the* petition, the court shall fix the time

and place for the hearing thereof, notice of which shall be given to the commissioner of public welfare if he was under the control of the commissioner and has not been discharged by the commissioner, ward or conservatee, guardian or conservator, and to those other persons and in a manner as the court may direct provided in section 525.55 .

Any person may oppose the restoration. Upon proof that the person is of sound mind and capable of managing his person and estate, and that he is not likely to expose himself or his family to want or suffering, the court shall adjudge him restored to capacity. To obtain an order of restoration to capacity the petitioner must prove by a preponderance of the evidence that the ward or conservatee is no longer incapacitated as defined in section 525.54, and is able to make provisions for his care or manage his property. If a ward or conservatee has the functional ability to care for himself or for his property, or to make provisions for his care or the care of his property, the fact that he may be impaired to some extent by a mental condition shall not preclude his restoration to capacity. In any proceedings for restoration, the court may appoint two one person duly licensed doctors of medicine to assist in the determination of the mental capacity of the patient by a health related licensing board and one accredited social worker with expertise in evaluating persons who have the disabilities similar to those found to be the reason for the ward's or conservatee's incapacity, to assist in the determination of his mental condition and functional ability to care for himself or his property. The court shall allow and order paid to each doctor health professional and social worker a reasonable sum for his services. Upon the order, the county auditor shall issue a warrant on the county treasurer for the payment thereof.

Sec. 19. Minnesota Statutes 1978, Section 525.62, is amended to read:

525.62 [MORTGAGE AND LEASE.] Sections 525.62 to 525.702 shall be applicable only to guardianships and conservatorships and not to decedents' estates. As used in sections 525.62 to 525.702, the word "mortgage" includes an extension of an existing mortgage, subject to the provisions of section 525.691, the word "lease," unless the context otherwise indicates, means a lease for more than three years.

Sec. 20. Minnesota Statutes 1978, Section 525.63, is amended to read:

525.63 [REASONS FOR SALE, MORTGAGE, LEASE.] The court may direct a sale, mortgage, or lease of any real estate of a ward or conservatee when the personal property is insufficient to pay his debts and other charges against his estate, or to provide for the support, maintenance, and education of the ward or conservatee, his wife spouse, and dependent children, or when it shall determine such the sale, mortgage, or lease to be for the best interest of the ward or conservatee.

The homestead of a ward or conservatee shall not be sold,

mortgaged, or leased unless the written consent of the spouse has been filed.

Sec. 21. Minnesota Statutes 1978, Section 525.67, is amended to read:

525.67 [AGREEMENT AND SALE FOR PUBLIC PURPOSE.] When any real estate of a ward or conservatee is desired by any person, firm, association, corporation, or governmental agency having the power of eminent domain, the guardian or conservator may agree, in writing, upon the compensation to be made for the taking, injuring, damaging, or destroying thereof, subject to the approval of the court. When such *the* agreement has been made, the guardian or conservator shall file a petition, of which the agreement shall be a part, setting forth the facts relative to the transaction. The court, with *or without* notice *as provided in section 525.83*, shall hear, determine, and act upon the petition. If the court approves the agreement, the guardian or conservator, upon payment of the agreed compensation, shall convey the real estate sought to be acquired and execute any release which may be authorized.

Sec. 22. Minnesota Statutes 1978, Section 525.69, is amended to read:

525.69 [CONVEYANCE OF VENDOR'S TITLE.] When any ward or conservatee is legally bound to make a conveyance or lease, the court, with *or without* notice *as provided in section 525.83*, may direct the guardian or conservator to make the conveyance or lease to the person entitled thereto. The petition may be made by any person claiming to be entitled to such *the* conveyance or lease, or by the guardian or conservator, or by any person interested in the estate or claiming an interest in such *the* real estate or contract, and shall show the description of the land and the facts upon which such *the* claim for conveyance or lease is based. Upon proof of the petition, the court may order the guardian or conservator to execute and deliver an instrument of conveyance or lease upon performance of the contract.

Sec. 23. Minnesota Statutes 1978, Chapter 525, is amended by adding a section to read:

[525.703] [COSTS.] *In proceedings under sections 525.54 to 525.702, and except in cases in which the petitioner filed a petition in bad faith, fees for counsel representing the proposed ward or conservatee shall be borne by the proposed ward or conservatee. In cases in which the petitioner acted in bad faith, he shall bear the costs. Except as otherwise provided in this section, the fee of petitioner's counsel shall be borne by the petitioner. In uncontested cases the court may order the fee charged to the ward or conservatee if the petition is granted. If the proposed ward or conservatee is indigent, the fees for which the ward or conservatee is responsible shall be borne by the county having jurisdiction over the guardianship proceedings.*

Sec. 24. Minnesota Statutes 1978, Section 525.83, is amended to read:

525.83 [NOTICE.] When notice of hearing is required by any provision of this chapter by reference to this section, *such the* notice shall be given once a week for three consecutive weeks in a legal newspaper designated by the petitioner in the county wherein the proceedings are pending; or, if no such designation be made, in any legal newspaper in *such the* county; or, if the city of the decedent's residence is situated in more than one county, in any legal newspaper in *such the* city. The first publication shall be had within two weeks after the date of the order fixing the time and place for the hearing.

At least 14 days prior to the date fixed for hearing the petitioner, his attorney or agent, shall in guardianship or conservatorship mail a copy of the notice to *such the ward or conservatee, and other* persons as the court may direct and in decedents' estates shall mail a copy of the notice to each heir, devisee, and legatee whose name and address are known to him.

Proof of *such* publication and mailing shall be filed before the hearing. No defect in any notice nor in the publication or service thereof shall invalidate any proceedings.

Sec. 25. [525.615] [STATUS OF GUARDIAN OF MINOR; GENERAL.] *A person becomes a guardian of a minor by acceptance of a testamentary appointment or upon appointment by the court. The guardianship status continues until terminated, without regard to the location from time to time of the guardian and minor ward.*

Sec. 26. [525.6155] [TESTAMENTARY APPOINTMENT OF GUARDIAN OF MINOR.] *The parent of a minor may appoint by will a guardian of an unmarried minor. Subject to the right of the minor under section 27, a testamentary appointment becomes effective upon filing the guardian's acceptance in the court in which the will is probated, if before acceptance, both parents are dead or the surviving parent is adjudged incapacitated. If both parents are dead, an effective appointment by the parent who died later has priority. This state recognizes a testamentary appointment effected by filing the guardian's acceptance under a will probated in another state which is the testator's domicile. Upon acceptance of appointment, written notice of acceptance must be given within five days by the guardian to the minor, to the person having his care, to his adult siblings, his grandparents, aunts and uncles. Notice shall state that any person interested in the welfare of the minor, or the minor, if 14 or more years of age, may file with the court a written objection to the appointment in accordance with section 27.*

Sec. 27. [525.616] [OBJECTION BY MINOR OF 14 OR OLDER OR INTERESTED ADULT TO TESTAMENTARY APPOINTMENT.] *A minor of 14 or more years or any adult interested in his welfare may prevent an appointment of his testamentary guardian from becoming effective, or may cause a previously accepted appointment to terminate, by filing with the court in which the will is probated a written objection to the appointment before it is accepted or within 30 days after its ac-*

*ceptance. An objection may be withdrawn. An objection does not preclude appointment by the court in a proper proceeding of the testamentary nominee, or any other suitable person.*

**Sec. 28. [525.6165] [COURT APPOINTMENT OF GUARDIAN OF MINOR; CONDITIONS FOR APPOINTMENT.]** *The court may appoint a guardian for an unmarried minor if all parental rights of custody have been terminated or suspended by circumstances or prior court order. A guardian appointed by will as provided in section 26 whose appointment has not been prevented or nullified under section 27 has priority over any guardian who may be appointed by the court but the court may proceed with an appointment upon a finding that the testamentary guardian has failed to accept the testamentary appointment within 30 days after notice of the guardianship proceeding.*

**Sec. 29. [525.617] [COURT APPOINTMENT OF GUARDIAN OF MINOR; VENUE.]** *The venue for guardianship proceedings for a minor is in the place where the minor resides or is present.*

**Sec. 30. [525.6175] [COURT APPOINTMENT OF GUARDIAN OF MINOR; QUALIFICATION; PRIORITY OF MINOR'S NOMINEE.]** *The court may appoint as guardian any person whose appointment would be in the best interests of the minor. The court shall appoint a person nominated by the minor, if the minor is 14 years of age or older, unless the court finds the appointment contrary to the best interests of the minor.*

**Sec. 31. [525.618] [COURT APPOINTMENT OF GUARDIAN OF MINOR; PROCEDURE.]** *Subdivision 1. Notice of the time and place of hearing of a petition for the appointment of a guardian of a minor shall be given by the petitioner in the following manner and to the following persons:*

*(a) The minor, if he is 14 or more years of age, by personal service at least 14 days prior to the date of hearing;*

*(b) The person who has had the principal care and custody of the minor during the 60 days preceding the date of the petition by personal service, at least 14 days prior to the date of hearing;*

*(c) Any living parent of the minor by personal service, at least 14 days prior to the date of hearing;*

*(d) Any adult siblings of the minor, service by mail, at least 14 days prior to the date of hearing; and*

*(e) To any other persons that the court may direct.*

*Subd. 2. Upon hearing, if the court finds that a qualified person seeks appointment, venue is proper, the required notices have been given, the requirements of section 28 have been met, and the welfare and best interests of the minor will be served by the requested appointment, it shall make the appointment. In other cases the court may dismiss the proceedings, or make any other disposition of the matter that will best serve the interests of the minor.*

*Subd. 3. If necessary, the court may appoint a temporary guardian, with the status of an ordinary guardian of a minor, but the authority of a temporary guardian shall not last longer than six months.*

*Subd. 4. If, at any time in the proceeding, the court determines that the interests of the minor are or may be inadequately represented, it may appoint an attorney to represent the minor, giving consideration to the preference of the minor if the minor is 14 years of age or older.*

**Sec. 32. [525.6185] [CONSENT TO SERVICE BY ACCEPTANCE OF APPOINTMENT; NOTICE.]** *By accepting a testamentary or court appointment as guardian, a guardian submits personally to the jurisdiction of the court in any proceeding relating to the guardianship that may be instituted by any interested person. Notice of any proceeding shall be given by personal service upon the guardian at least 14 days prior to the date of the hearing. Letters of guardianship must indicate whether the guardian was appointed by will or by court order.*

**Sec. 33. [525.619] [POWERS AND DUTIES OF GUARDIAN OF MINOR.]** *A guardian of a minor has the powers and responsibilities of a parent who has not been deprived of custody of his minor and unemancipated child, except that a guardian is not legally obligated to provide from his own funds for the ward. In particular, and without qualifying the foregoing, a guardian has the following powers and duties:*

*(a) He must take reasonable care of his ward's personal effects and commence protective proceedings if necessary to protect other property of the ward.*

*(b) He may receive money payable for the support of the ward to the ward's parent, guardian or custodian under the terms of any statutory benefit or insurance system, or any private contract, devise, trust, conservatorship or custodianship. He also may receive money or property of the ward paid or delivered by virtue of section 37. Any sums so received shall be applied to the ward's current needs for support, care and education. He must exercise due care to conserve any excess for the ward's future needs unless a conservator has been appointed by the estate of the ward, in which case the excess shall be paid over at least annually to the conservator. Sums so received by the guardian are not to be used for compensation for his services except as approved by order of court or as determined by a duly appointed conservator other than the guardian. A guardian may institute proceedings to compel the performance by any person of a duty to support the ward or to pay sums for the welfare of the ward.*

*(c) The guardian is empowered to facilitate the ward's education, social, or other activities and to authorize medical or other professional care, treatment or advice. A ward may not be committed to any state institution except pursuant to sections 253A.01 to 253A.21 and no guardian may give consent for psychosurgery, electroshock, sterilization or experimental treatment of any kind*

*unless the procedure is first approved by the order of the court, after a hearing as prescribed by section 525.56, subdivision 2.*

*A guardian is not liable by reason of his consent for injury to the ward resulting from the negligence or acts of third persons unless it would have been illegal for a parent to have consented, or unless he fails to comply with the requirements of this section which provide that a court order is necessary for commitment and for certain types of medical procedures. A guardian may consent to the marriage or adoption of his ward.*

*(d) A guardian must report the condition of his ward and of the ward's estate which has been subject to his possession or control, as ordered by the court on petition of any person interested in the minor's welfare and as required by section 525.58, subdivision 1.*

**Sec. 34. [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, but termination does not affect his liability for prior acts, nor his obligation to account for funds and assets of his ward. 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.*

**Sec. 35. [525.6194] [PROCEEDINGS SUBSEQUENT TO APPOINTMENT; VENUE.]** *(a) The court where the ward resides has concurrent jurisdiction with the court which appointed the guardian, or in which acceptance of a testamentary appointment was filed, over resignation, removal, accounting and other proceedings relating to the guardianship.*

*(b) If the court located where the ward resides is not the court in which acceptance of appointment is filed, the court in which proceedings subsequent to appointment are commenced shall in all appropriate cases notify the other court, in this or another state, and after consultation with that court determine whether to retain jurisdiction or transfer the proceedings to the other court, whichever is in the best interests of the ward. A copy of any order accepting a resignation or removing a guardian shall be sent to the court in which acceptance of appointment is filed.*

**Sec. 36. [525.6195] [RESIGNATION OR REMOVAL PROCEEDINGS.]** *(a) Any person interested in the welfare of a ward, or the ward, if 14 or more years of age, may petition for removal of a guardian on the ground that removal would be in the best interests of the ward. A guardian may petition for permission to resign. A petition for removal or for permission to resign may, but need not, include a request for appointment of a successor guardian.*

*(b) After notice and hearing on a petition for removal or for*

permission to resign, the court may terminate the guardianship and make any further order that may be appropriate.

(c) If, at any time in the proceeding, the court determines that the interests of the ward are, or may be, inadequately represented, it may appoint an attorney to represent the minor, giving consideration to the preference of the minor if the minor is 14 or more years of age.

**Sec. 37. [525.6196] [FACILITY OF PAYMENT OR DELIVERY.]** Any person under a duty to pay or deliver money or personal property to a minor may perform this duty, in amounts not exceeding \$5,000 per annum, by paying or delivering the money or property to, (1) the minor, if he has attained the age of 18 years or is married; (2) any person having the care and custody of the minor with whom the minor resides; (3) a guardian of the minor; or (4) a financial institution incident to a deposit in a federally insured savings account in the sole name of the minor and giving notice of the deposit to the minor. This section does not apply if the person making payment or delivery has actual knowledge that a conservator has been appointed or proceedings for appointment or a conservator of the estate of the minor are pending. The persons, other than the minor or any financial institution under (4) above, receiving money or property for a minor, are obligated to apply the money to the support and education of the minor, but may not pay themselves except by way of reimbursement for out-of-pocket expenses for goods and services necessary for the minor's support. Any excess sums shall be preserved for future support of the minor and any balance not so used and any property received for the minor must be turned over to the minor when he attains majority. Persons who pay or deliver in accordance with provisions of this section are not responsible for the proper application thereof.

**Sec. 38. [525.6198] [PRODUCTIVE PROCEEDINGS; APPOINTMENT OF CONSERVATOR OF ESTATE OF MINOR.]** Upon petition and after notice and hearing in accordance with the provisions of section 31 the court may appoint a conservator or make other protective order for cause as follows:

(1) Appointment of a conservator or other protective order may be made in relation to the estate and affairs of a minor if the court determines that a minor owns money or property that requires management or protection which cannot otherwise be provided, has or may have business affairs which may be jeopardized or prevented by his minority, or that funds are needed for his support and education and that protection is necessary or desirable to obtain or provide funds.

(2) The court may grant to the conservator of the estate of a minor any or all of the powers and duties enumerated in section 525.56, subdivision 3, and the conservator shall be subject to the requirements of 525.58 to 525.582 regarding an inventory and accounting. The conservator shall file a bond with the court in such amount as the court may direct.

Sec. 39. [REPEALER.] *Minnesota Statutes 1978, Sections 525.60, Subdivision 2; 525.611; 525.612; 525.613; 525.614; and 525.621 are repealed.*

Sec. 40. [EFFECTIVE DATE.] *This act is effective August 1, 1981.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 2314 and 2185 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2314	2385				
2185	2137				

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 2082 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2082	2138				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2082 be amended as follows:

Page 2, line 9, after "offices" insert "as provided in section 3"

Page 2, delete lines 10 to 33

Page 3, delete lines 1 and 2

Page 3, line 3, delete "3" and insert "2"

Page 3, line 13, delete "4" and insert "3"

Page 3, lines 16 to 18, delete "a special election is held in conjunction with the next appropriate regular city election" and insert "an election is held as provided in this subdivision"

Page 3, line 21, after "election," insert "a special election shall be held at the next regular city election and"

Page 3, line 23, delete ", if any,"

Page 3, line 28, delete "next" and insert "second"

Page 3, line 29, after "election." insert: "No special election shall be held if the next regular city election is held in the year preceding expiration of the vacant term. The names of candidates to fill a vacancy in the office of councilman in a statutory city shall be listed under the separate heading "Special election for councilman to fill vacancy in term expiring . . . . .", with the date of expiration of the term and any other information as may be necessary to distinguish the office. Under the heading for the office of mayor in a special election shall be the words "To fill vacancy in term expiring . . . . ."."

Page 3, after line 29, insert

"Sec. 4. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Further, amend the title as follows:

Page 1, line 5, delete "205.17, Subdivision 1;"

And when so amended H. F. No. 2082 will be identical to S. F. No. 2138, and further recommends that H. F. No. 2082 be given its second reading and substituted for S. F. No. 2138, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 883: A bill for an act relating to taxation; property; eliminating the requirement for providing certificates of rent paid for purposes of the property tax refund; amending Minnesota Statutes 1978, Section 290A.19.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE I: INDIVIDUAL INCOME TAX

Section 1. Minnesota Statutes, 1979 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 “homeowners association” as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term “gross income” in its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term “gross income” in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes 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 section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) 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.

(v) 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 amendments made to sections 219(c) (3) and 220(c) (4) (extending the time for which a taxpayer is deemed to have made a contribution to an individual retirement account for the taxable year) by section 157(a) of P.L. 95-600 shall be effective for taxable years beginning after December 31, 1977.

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 such other state exempt from federal income taxes under the Internal Revenue Code of 1954:

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from federal income tax, but not from state income taxes;

(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 such 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 such previous taxable year.

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 or separate Minnesota income tax returns. In the case of 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 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) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (7) or under section 290.09, subdivision 24;

(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 realized 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, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota; and

(14) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such 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 realized by a trust on the sale or exchange of property as defined in section 641(c)(I).

(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 such 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 such 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 resulting from such losses;

(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 such 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, 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, as amended through December 31, 1977. The maximum amount of this subtraction shall be \$10,000 less the amount by which the individual's federal adjusted gross income 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 \$10,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, 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 realized 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 after December 31, 1977 and before January 1, 1982 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The amount of gain on the sale of the taxpayer's residence excluded from the federal gross income of the taxpayer pursuant to section 121 of the Internal Revenue Code of 1954, as amended through December 31, 1978 provided that a taxpayer who elects under that section shall not, for the purpose of this subdivision, also take an exclusion according to the provisions of section 121 of the Internal Revenue Code, as amended through December 31, 1976;

(12) 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;

(13) The amount of any income earned for personal services rendered prior to the date when the taxpayer became a resident of Minnesota ;

(14) *The amount received by the taxpayer as a dividend from a corporation or as interest. This modification shall not be provided for any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for its next preceding taxable year, is exempt from tax under section 501 relating to certain charitable organizations or section 521 relating to farmers' cooperative associations of the Internal Revenue Code of 1954, as amended through December 31, 1979.*

*For purposes of this clause, "interest" means interest on deposits with a bank; amounts, whether or not designated as interest, paid in respect of deposits, investment certificates, or withdrawable or repurchasable shares, by a mutual savings bank, cooperative bank, domestic building and loan association, industrial loan association or bank, or credit union, or any other savings or thrift institution which is chartered and supervised under federal or state law, the deposits or accounts in which are insured under federal or state law or which are protected and guaranteed under state law; interest on evidences of indebtedness, including bonds, debentures, notes, and certificates, issued by a corporation incorporated in this state in registered form, and to the extent provided in regulations to be prescribed by the commissioner of revenue, other evidences of indebtedness issued by a corporation of a type offered by corporations to the public; interest on obligations of the United States, a state or a political subdivision of a state that are not excluded from gross income of the taxpayer under any other provision of law; and interest attributable to participation shares in a trust established and maintained by a corporation established pursuant to federal law. The maximum amount of the subtraction allowed under this clause shall be \$200 in the case of a single taxpayer or \$400 in the case of married taxpayers. If the husband and wife make separate, combined or joint returns, the total subtraction may be taken by either of them, or the amount of the subtraction may be divided between them; and*

(15) *The amount of any credit to the taxpayer's federal tax*

*liability for qualified expenditures for energy conservation or renewable energy sources under section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979 and as amended in H. R. 3919 (Crude Oil Windfall Profit Tax Act of 1980) as passed by the United States House of Representatives on March 13, 1980.*

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 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 such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such 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 such amounts resulted in a reduction of the tax imposed by this act, and (2) 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 act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate 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 such 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, 1979 Supplement, Section 290.06, Subdivision 3c, is amended to read:

Subd. 3c. [CREDITS AGAINST TAX.] Notwithstanding the provisions of subdivision 3a for taxable years which begin after December 31, 1978 and before January 1, 1980, the taxes due under the computation in accordance with section 290.06 shall be credited with the following amounts:

(1) In the case of an unmarried individual and in the case of the estate of a decedent, \$55, and in the case of a trust, \$5;

(2) In the case of a married individual, living with a spouse, \$110. If the spouses file separate, combined or joint returns the personal credits may be taken by either or divided between them;

(3) In the case of an individual, \$55 for each person (other than a spouse) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. A payment to a divorced or separated spouse, other than a payment for support of minor children under a temporary order or final decree of dissolution or legal separation, shall not be considered a payment by the other spouse for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional \$55;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional \$55;

(c) In the case of a married individual, living with a spouse, an additional \$55 for each spouse who has attained the age of 65

before the close of the individual's taxable year, and an additional \$55 for each spouse who is blind at the close of the individual's taxable year. If such husband and wife make separate, combined or joint returns, these credits may be taken by either or divided between them;

(d) In the case of an individual, another \$55 for each person, other than a spouse, who is blind and dependent upon and receiving his chief support from the taxpayer;

(e) For the purposes of sub-paragraphs (b), (c) and (d) of paragraph (4), an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(f) In the case of an unmarried individual who is deaf at the close of the taxable year, an additional \$55.

(g) In the case of a married individual, an additional \$55 for each spouse who is deaf at the close of the taxable year. If the spouses file separate, combined or joint returns, these credits may be taken by either or divided between them.

(h) In the case of an individual, an additional \$55 for each person (other than a spouse) who is deaf and dependent upon and receiving his chief support from the taxpayer.

(i) For the purposes of subparagraphs (f), (g) and (h) of paragraph (4), an individual is deaf if the average loss in the speech frequencies (500-2000 Hertz) in the better ear, unaided, is 92 decibels, American National Standards Institute, or worse.

(5) (a) In the case of an unmarried individual who is a quadriplegic at the close of the taxable year, an additional \$55;

(b) In the case of a married individual, living with a spouse, an additional \$55 for each spouse who is a quadriplegic at the close of the taxable year. *If the spouses file separate, combined or joint returns, these credits may be taken by either or divided between them ; and*

(c) In the case of an individual, another \$55 for each person, other than a spouse, who is *quadriplegic and* dependent upon and receiving his chief support from the taxpayer ; *and who is a quadriplegic at the close of the taxable year and*

(d) *For the purposes of subparagraphs (a), (b) and (c) of paragraph (5), "quadriplegic" means an individual who has a congenital or traumatic partial or total loss of all four limbs or who has a disability that substantially impairs the functioning of all four limbs.*

(6) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under Extra Session Laws 1967, Chapter 32, is imposed by virtue of any

law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(7) In the case of a non-resident individual, credits under paragraphs 1, 2, 3, 4 and 5 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 3d, is amended to read:

Subd. 3d. [LOW INCOME ALTERNATIVE TAX.] *The taxes due as computed in accordance with section 290.06, subdivisions 2e, 3e, and 3e shall be credited with the following amounts A claimant as defined in 290.012 may pay a tax computed under this subdivision in lieu of the tax computed under section 290.06, subdivisions 2c, 3c and 3f without the provisions of section 290.012 and this subdivision :*

(1) *For taxable years beginning after December 31, 1978, A credit equal to his tax liability in the case of 1979, the alternative tax shall be zero for the following claimants :*

(a) *An unmarried claimant with an income of \$5,500 \$5,800 or less;*

(b) *A claimant with one dependent, with an income of \$7,000 \$7,400 or less;*

(c) *A claimant with two dependents, with an income of \$8,000 \$8,800 or less;*

(d) *A claimant with three dependents, with an income of \$8,000 \$10,000 or less;*

(e) *A claimant with four dependents, with an income of \$9,600 \$10,500 or less; and*

(f) *A claimant with five or more dependents, with an income of \$10,000 \$11,000 or less.*

*For taxable years beginning after December 31, 1980, the alternative tax shall be zero for the following claimants:*

(a) *An unmarried claimant with an income of \$6,500 or less;*

(b) *A claimant with one dependent, with an income of \$8,600 or less;*

(c) *A claimant with two dependents, with an income of \$10,400 or less;*

(d) *A claimant with three dependents, with an income of \$12,000 or less;*

(e) *A claimant with four dependents, with an income of \$12,800 or less; and*

(f) *A claimant with five or more dependents, with an income of \$13,500 or less.*

(2) In the case of a claimant with an income in excess of that set forth in the appropriate category of clause (1), he may pay a tax equal to 15 percent of that portion of his income that is in excess of the amount set forth in the appropriate category of clause (1), or his tax obligation as it would have been in the absence of section 290.012 and this subdivision, whichever is less.

(3) The total income of the claimant and his spouse, if any, shall be the figure employed for the purposes of this subdivision. No individual dependent upon and receiving his chief support from any other individual may be a claimant under section 290.012 and this subdivision. The commissioner of revenue shall prescribe the additional forms or alterations in existing forms as necessary to comply with the provisions of section 290.012 and this subdivision. All claimants shall submit their returns on these forms.

The commissioner of revenue shall provide alternative tax tables which will include these credits.

(4) For taxable years beginning after December 31, 1980, the commissioner of revenue shall determine and announce by October 1 of 1981 and each subsequent year, the percentage increase from August, 1980 to, in 1981, August, 1981, and, in subsequent years, from August of the preceding year to August of the current year in the revised all urban consumer price index for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor with 1967 as a base year. Each year, the income exclusion amounts contained in clause (1) shall be increased by the determined percentage, rounded to the nearest dollar to produce the inflation adjusted exclusion amounts for the taxable year.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 3f, is amended to read:

Subd. 3f. [CREDITS AGAINST TAX.] Notwithstanding the provisions of subdivision 3a, and subject to the provisions of subdivision 3g for taxable years which begin after December 31, 1979, the taxes due under the computation in accordance with this section shall be credited with the following amounts:

(1) In the case of an unmarried individual and in the case of the estate of a decedent, \$60, and in the case of a trust, \$5;

(2) In the case of a married individual, living with a spouse, \$120. If the spouses file separate, combined or joint returns the personal credits may be taken by either or divided between them;

(3) In the case of an individual, \$60 for each person (other than a spouse) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. A payment to a divorced or separated spouse, other than a payment for support of minor children under a temporary order or final decree of dissolution or legal separation, shall not be considered a payment by the other spouse for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained

the age of 65 before the close of his taxable year, an additional \$60;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional \$60;

(c) In the case of a married individual, living with a spouse, an additional \$60 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional \$60 for each spouse who is blind at the close of the individual's taxable year. If the spouses file separate, combined or joint returns, these credits may be taken by either or divided between them;

(d) In the case of an individual, another \$60 for each person, other than a spouse, who is blind and dependent upon and receiving his chief support from the taxpayer;

(e) For the purposes of sub-paragraphs (b), (c) and (d) of paragraph (4), an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(f) In the case of an unmarried individual who is deaf at the close of the taxable year, an additional \$60.

(g) In the case of a married individual, an additional \$60 for each spouse who is deaf at the close of the taxable year. If the spouses file separate, combined or joint returns, these credits may be taken by either or divided between them.

(h) In the case of an individual, an additional \$60 for each person (other than a spouse) who is deaf and dependent upon and receiving his chief support from the taxpayer.

(i) For the purposes of subparagraphs (f), (g) and (h) of paragraph (4), an individual is deaf if the average loss in the speech frequencies (500-2000 Hertz) in the better ear, unaided, is 92 decibels, American National Standards Institute, or worse.

(5) (a) In the case of an unmarried individual who is a quadriplegic at the close of the taxable year, an additional \$60;

(b) In the case of a married individual, living with a spouse, an additional \$60 for each spouse who is a quadriplegic at the close of the taxable year. *If the spouses file separate, combined or joint returns, these credits may be taken by either or divided between them ; and*

(c) In the case of an individual, another \$60 for each person, other than a spouse, who is *quadriplegic and dependent upon and receiving his chief support from the taxpayer, and who is a quadriplegic at the close of the taxable year. ; and*

(d) *For the purposes of subparagraphs (a), (b) and (c) of paragraph 5, "quadriplegic" means an individual who has a con-*

*genital or traumatic partial or total loss of all four limbs or who has a disability that substantially impairs the functioning of all four limbs.*

(6) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under Extra Session Laws 1967, Chapter 32, is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended.

(7) In the case of a non-resident individual, credits under paragraphs 1, 2, 3, 4 and 5 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 5. Minnesota Statutes 1978, Section 290.06, is amended by adding a subdivision to read:

*Subd. 3h. [RESIDENTIAL WOOD HEATING CREDIT.] A credit of \$25 may be deducted from the tax due from an individual taxpayer, if any, under this chapter if the taxpayer heated his principal residence with the use of a wood fired stove, furnace or boiler, and if wood fired sources supplied at least 50 percent of the residence's space heating during the taxable year.*

Sec. 6. Minnesota Statutes, 1979 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), and a credit of 15 percent of the first \$2,000 of energy conservation expenditures made by a taxpayer and installed in or on a dwelling unit located in Minnesota, 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 credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto;

(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 wall 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 which produces ethanol, methane or methanol for use 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 unit 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:

(1) Control and distribution element, including fans, louvers, and air ducts; and/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 promulgated by the commissioner of revenue in cooperation with the director of the energy agency. 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; and

(e) Expenditures for furnaces, boilers or stoves which are fueled by wood. In order to qualify for the credit the stove, furnace, boiler or any combination thereof shall be designed to supply at least 50 percent of the residence's required annual heating load.

An "energy conservation expenditure" is an expenditure which qualifies for the federal energy conservation credit pursuant to section 44C of the Internal Revenue Code of 1954, as amended

*through December 31, 1979, and any regulations promulgated pursuant thereto.*

*If a credit for a renewable energy expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum renewable energy 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 renewable energy expenditures which a credit was claimed pursuant to this subdivision in prior years. If a credit for an energy conservation expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum energy conservation expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$2,000 reduced by the amount of energy conservation expenditures for which a credit was claimed pursuant to this subdivision in prior years.*

*The A credit provided in this subdivision shall not be allowed in a taxable year if the amount sum of the credit credits provided in this subdivision would be less than \$10.*

*If the a 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 attributable to renewable energy source expenditures may be carried forward to a taxable year beginning after December 31, 1984. No amount attributable to energy conservation expenditures may be carried forward to a taxable year beginning after December 31, 1982. In the case of energy conservation expenditures, excess credits may be carried back two years, in chronological order. No credit may be carried back to a taxable year beginning before January 1, 1978. For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to an energy conservation 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 following the end of the taxable year of the energy conservation credit which results in the carryback. In the case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of the energy conservation credit, interest shall be computed only from the end of the taxable year in which the energy conservation credit occurs.*

*A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit credits provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under clause ~~(a)~~ section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1979. "Family farm corporation" and "family farm" have the meanings given in section 500.24.*

*The credit credits provided in this subdivision is are subject to the provisions of Section 44C, (c) (7), (d) (1) to (3), and (e), of*

the Internal Revenue Code of 1954, as amended through December 31, 1978, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the director of the energy agency shall promulgate rules establishing additional qualifications and definitions for the credits provided in clauses ~~(a) to (d)~~ *this subdivision.*

*Notwithstanding section 290.61, the commissioner of revenue may request the energy agency 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 energy agency who receive information furnished by the taxpayer for purposes of claiming this credit.*

~~This subdivision~~ *The credit for renewable energy source expenditures is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1983. The credit for energy conservation expenditures is effective for expenditures made during taxable years beginning after December 31, 1979, and before January 1, 1983.*

Sec. 7. Minnesota Statutes 1978, Section 290.06, is amended by adding a subdivision to read:

*Subd. 15. [COMMUTER CARPOOL CREDIT.] An individual taxpayer who operates a carpool may take a credit against the tax due from him and his spouse, if any, under this chapter in an amount equal to five cents per passenger not including the driver carried in the motor vehicle, up to a maximum of 20 cents, for each mile the motor vehicle is driven for purposes of the carpool.*

*For purposes of this section, a taxpayer shall be deemed to operate a carpool if a motor vehicle owned or leased for personal use by the taxpayer or his spouse is used by the taxpayer and at least one other passenger for the purpose of traveling to and from his principal residence and regular place of work.*

*If the amount of the credit for which a taxpayer qualifies pursuant to this subdivision exceeds his tax liability pursuant to this chapter, the excess shall be refunded to the taxpayer by the commissioner of revenue.*

Sec. 8. Minnesota Statutes 1978, Section 290.06, is amended by adding a subdivision to read:

*Subd. 16. An individual taxpayer who contributes to an organization described in section 290.21, subdivision 3, clauses (a), (b), (c) and (d) by providing transportation for a person over 60 years of age may, in addition to a contribution deduction allowed under section 290.21, take a credit against the tax due from him and his spouse, if any, under this chapter in an amount equal to five cents per passenger not including the driver carried in the motor vehicle, up to a maximum of 20 cents, for each mile the motor vehicle is driven for transportation contribution purposes.*

*If the amount of the credit for which a taxpayer qualifies pursuant to this subdivision exceeds his tax liability pursuant to this*

*chapter, the excess shall be refunded to the taxpayer by the commissioner of revenue.*

Sec. 9. Minnesota Statutes 1978, Section 290.067, Subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed ~~\$150~~ \$200 in any taxable year, and the total credit for all dependents of a claimant shall not exceed ~~\$300~~ \$400 in a taxable year. The total credit shall be reduced by five percent of the amount by which the combined federal adjusted gross income of the claimant and his spouse, if any, exceeds ~~\$12,000~~ \$15,000. A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of a married claimant only one spouse may claim the credit. No expense for which a medical expense deduction is claimed pursuant to section 290.09, subdivision 10, shall be claimed as a dependent care expense.

Sec. 10. Minnesota Statutes 1978, Section 290.18, is amended by adding a subdivision to read:

Subd. 4. [SOCIAL SECURITY TAX AND SIMILAR DEDUCTIONS.] *In the computation of the taxable net income of an individual, there shall be deducted from the gross income assignable to this state under section 290.17, the following amounts, to the extent allocable to gross income assignable to this state:*

(a) *In the case of an individual whose employment is subject to the provisions of the Federal Insurance Contributions Act, one half of the amount deducted from his wages under 26 U.S.C.A. 3102, as amended through December 31, 1979;*

(b) *In the case of an individual whose employment is subject to the provisions of the Railroad Retirement Act of 1974, one half of the amount deducted from his wages for the purpose of funding the annuity received under that act;*

(c) *In the case of an individual who pays a tax on self-employment income pursuant to section 1401 of the Internal Revenue Code of 1954, as amended through December 31, 1979, an amount equal to one half of the tax that would be payable under 26 U.S.C.A. 3102, as amended through December 31, 1979, on the same amount of income on which the self-employment tax was payable; and*

(d) *In the case of an individual employed by the United States, its agencies or instrumentalities, the state of Minnesota or any of its political or governmental agencies, or by any other state or its political or governmental subdivisions, whose employment is not included in the definition set forth in 26 U.S.C.A. 3121(b), as amended through December 31, 1979, and consequently is not subject to the provisions of the Federal Insurance Contributions Act, but who is required as a condition of that employment to contribute to a pension or other retirement benefit fund, one half of the amount required to be contributed to that fund.*

*The maximum amount of the deduction available pursuant to this subdivision is \$500. If, in a single taxable year, an individual contributes to more than one of the funds described in clauses (a), (b), (c) and (d) the \$500 maximum shall apply to the aggregate of those contributions.*

**Sec. 11. [EFFECTIVE DATE.]** *Clause (b)(14) of section 1 is effective for taxable years beginning after December 31, 1980. Clause (b)(15) of section 1 is effective for federal credits received for taxable years beginning after December 31, 1977. Sections 5 and 9 are effective for taxable years beginning after December 31, 1979. Sections 7 and 8 are effective for the first taxable year of the taxpayer beginning after December 31, 1980; when the credit has terminated after one year, the department of revenue shall evaluate the use that has been made of the credit, and report to the legislature. Section 10 is effective for taxable years beginning after December 31, 1980.*

## ARTICLE II: PROPERTY TAX

**Section 1. [LEGISLATIVE INTENT AND PURPOSE.]** *It is the intent and purpose of sections 1 to 11 to provide:*

*(a) A means by which municipalities may establish an orderly phase-out of local police and salaried firefighters relief associations governed by Minnesota Statutes, Section 69.77, by allowing municipalities to provide that all newly hired police officers and salaried firefighters shall be covered by the public employees police and fire fund established by Minnesota Statutes, Sections 353.63 to 353.68;*

*(b) Assistance to municipalities and local police and salaried firefighters relief associations by establishing a local police and salaried firefighters relief association amortization state aid program; and*

*(c) An increase in retirement benefits to members of local police and salaried firefighters relief associations under certain conditions while not diminishing or impairing any retirement benefits of any persons who are members of local police and salaried firefighters relief associations, either active or retired.*

**Sec. 2. Minnesota Statutes 1978, Section 69.77, Subdivision 2, as amended by Laws 1980, Chapter 341, Section 1, is amended to read:**

**Subd. 2.** *Subdivision 1 does not apply to an association enumerated in subdivision 1a under the following circumstances:*

*(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1981, a contribution for retirement and survivorship benefits of not less than eight percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that such contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and*

deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firefighters, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

The financial requirements shall be based on the most recent actuarial survey prepared in accordance with sections 356.215, subdivision 4 and 356.216.

*For a relief association which is located in a municipality which has adopted and filed a resolution as provided in section 4, subdivision 1, or section 6, the total of the amounts calculated pursuant to clauses (a) and (c) shall constitute the financial requirements of the relief association for the following year. For a relief association which is located in a municipality which has not adopted and filed a resolution as provided in section 4, subdivision 1, or section 6, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year.*

(a) The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

(b) To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

(c) *To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial survey of the fund.*

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial requirements of the association less the estimated amount of member contributions herein provided from covered salary anti-

*puted for the following calendar year and less one year's estimated receipts expected from the applicable state of Minnesota through state collected insurance premium taxes or other state aids aid program established pursuant to sections 69.011 to 69.051, and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 5. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.*

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body *on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1* of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level: the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the officers of the association shall certify that amount to the county auditor, who shall spread a levy in the amount of such obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments for funds of the Minnesota state retirement system, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size

that the three percent stock limitation applicable to the Minnesota state retirement system would necessitate a lesser investment. Securities held by the association before July 1, 1981, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21, provided that there be no share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter. The association shall also procure a quadrennial experience study pursuant to section 356.216 as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 3. Minnesota Statutes 1978, Section 353.657, Subdivision 3, is amended to read:

Subd. 3. Each dependent child, until the child reaches the age of 18 years, shall receive a monthly benefit equal to ten percent of the member's average monthly salary earned as a police officer or fire fighter on which employee contributions were paid over the last full six months of allowable service preceding death. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such the child. The maximum monthly benefit for any one family shall not exceed \$450 an amount equal to 50 percent of the member's specified average monthly salary, and the minimum benefit per family shall not be less than 30 percent of the member's said specified average monthly salary, subject to the aforementioned maximum.

Sec. 4. [MODIFICATION IN RETIREMENT COVERAGE OR BENEFITS FOR CERTAIN POLICE OFFICERS AND FIREFIGHTERS; AUTHORIZING MUNICIPAL IMPLEMENTATION.] *Subdivision 1. [AUTHORIZATION OF MUNICIPAL ACTION.] Notwithstanding any provision of law, municipal charter, municipal ordinance or resolution, or relief association articles of incorporation or bylaws to the contrary, any municipality in which is located a local police or salaried firefighters' relief association which is governed by Minnesota Statutes, Section*

69.77, is authorized to implement the provisions of this section. Implementation shall be effected by a municipal resolution approved by a majority of the governing body of the municipality following consultation with the board of trustees of the affected local relief association and the holding of a public meeting at which the views of the public are considered. Prior to becoming effective, a copy of the municipal resolution shall be filed with the secretary of state, the commissioner of finance, the commissioner of insurance and the executive secretary of the legislative commission on pensions and retirement. To be deemed an implementing municipal resolution within the meaning of this section and sections 1 and 5, the municipal resolution shall either refer to this section in the text or shall describe in summary form the modifications provided for in this section. Once granted, municipal approval shall be irrevocable.

**Subd. 2. [MODIFICATION OF RETIREMENT COVERAGE FOR CERTAIN NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.]** Any person first employed by a municipality which has adopted a municipal resolution pursuant to subdivision 1 after the effective date for the modification stated in the municipal resolution, which date shall not in any event be later than the first day of the month occurring six months after the date of passage of the municipal resolution, as a police officer or police trainee or as a firefighter or firefighter trainee, whichever position is covered in the municipal resolution, shall be a member of the public employees police and fire fund established by Minnesota Statutes, Sections 353.63 to 353.68 and shall not be a member of the applicable local police or firefighters' relief association established pursuant to any general or special law.

**Subd. 3. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.]** The minimum obligation of a municipality which has adopted a municipal resolution pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of Minnesota Statutes, Sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 2 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

The contribution rate of members of the local relief association shall be governed by Minnesota Statutes, Section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 2 shall be governed by Minnesota Statutes, Section 353.65.

When every active member of the local relief association retires

or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five members selected by the recipient beneficiaries of the fund, subject to the approval of the governing body of the municipality. If there are fewer than five recipient beneficiaries, the trust fund shall be managed by the governing body of the municipality. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. The balance of assets remaining in the trust fund shall not revert to the municipality until all obligations of the trust fund are paid.

The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with Minnesota Statutes, Sections 69.77, 356.215 and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with this act. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to Minnesota Statutes, Section 356.20, Subdivision 4, Clause (1) (a), if the difference between those two figures is a positive number.

In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the municipal resolution adopted pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund.

If the modification of retirement coverage implemented pursuant to municipal resolution adopted pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to Minnesota Statutes, Section 69.031, Subdivision 5, Clause (2) (c). If the modification of retirement coverage implemented pursuant to a municipal resolution adopted pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality shall be disbursed as the municipality at its option may elect. The municipality may elect: (1) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (2) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to Minnesota Statutes, Section 353.65, Subdivision 3; or (3) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.

**Subd. 4. [BENEFIT INCREASE FOR CERTAIN RELIEF ASSOCIATION MEMBERS.]** Notwithstanding any law to the contrary, any member of a local police or salaried firefighters' relief association located in a municipality, except the city of Minneapolis, which has adopted a municipal resolution pursuant to subdivision 1 shall be entitled to receive, after the effective date for the modification stated in the municipal resolution, a retirement annuity in addition to the service pension to which the member may be eligible upon retirement. The additional retirement annuity shall be payable for the life of the retired member. The additional retirement annuity shall be equal to one-half of one percent of the salary upon which the service pension is calculated payable on the date of termination of active service per year of service credit acquired in excess of 25 years of service credit. The retirement annuity under this subdivision shall not be subject to any post retirement increases granted pursuant to increases in the salary payable to a certain employment category or in the salaries payable to active members or be in any other manner escalated or increased after retirement.

**Sec. 5. [LOCAL POLICE AND FIREFIGHTERS' RELIEF ASSOCIATION AMORTIZATION STATE AID.]** Any municipality which had adopted and properly filed a resolution pursuant to either section 4, subdivision 1, or section 6, shall be entitled upon annual application on or before the date specified by the commissioner of finance to receive local police and salaried firefighters' relief association amortization state aid if the municipality and the appropriate relief association both comply with the applicable provisions of Minnesota Statutes, Sections 69.031, Subdivision 5, 69.051, Subdivisions 1 and 3, and 69.77. The amount of local police and salaried firefighters' relief association amortization state aid to which a municipality is entitled annually shall be an amount equal to the level annual dollar amount required to

amortize, by December 31, 2010, the unfunded accrued liability of the special fund of the appropriate relief association as reported in the most recent actuarial valuation of the relief association prepared pursuant to Minnesota Statutes 1978, Sections 356.215 and 356.216, and filed with the commissioner of insurance on the date of final enactment of this act, reduced by the dollar amount required to pay the interest on the unfunded accrued liability of the special fund of the relief association for the calendar year next following the date of final enactment of this act set at the rate specified in Minnesota Statutes 1978, Section 356.215, Subdivision 4, Clause (4). Payment of local police and salaried firefighters' relief association amortization state aid amount to municipalities shall be made directly to the municipalities involved in four equal installments on March 15, July 15, September 15 and November 15 annually. Upon receipt of the local police and salaried firefighters' relief association amortization state aid, the municipal treasurer shall transmit the aid amount to the treasurer of the local relief association for immediate deposit in the special fund of the relief association. The commissioner of finance shall prescribe and periodically revise the form for and content of the annual application for the local police and salaried firefighters' relief association amortization state aid. The amounts required to pay the local police and salaried firefighters' relief association amortization state aid are hereby annually appropriated from the general fund to the commissioner of finance.

Sec. 6. [TEMPORARY PROVISION; APPLICATION TO CERTAIN MUNICIPALITIES.] Any municipality in which is located a local police or salaried firefighters' relief association which is governed by Minnesota Statutes, Section 69.77, and in which all newly hired police officers or firefighters, whichever is applicable, after a certain date are required by law to have their retirement coverage provided by the public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353, and not by the local police or firefighters' relief association, may participate in the local police and salaried firefighters' relief association amortization state aid program established by section 5 and may have made applicable any other provisions of section 4, by adopting by majority vote of the governing body, a resolution implementing those provisions of section 4 which are not present in or which are in substantial conflict with the applicable special law modifying retirement coverage for new police officers or firefighters, whichever is applicable, other than the date of the modification in retirement coverage. Prior to becoming effective, a copy of the municipal resolution shall be filed with the secretary of state, the commissioner of finance, the commissioner of insurance and the executive secretary of the legislative commission on pensions and retirement. To be deemed an implementing municipal resolution within the meaning of this section and sections 1 and 5, the municipal resolution shall either refer to this section and the applicable subdivisions of section 4 or shall describe in summary form the modifications sought to be implemented.

Sec. 7. [ALTERNATIVE BENEFIT INCREASE.] Notwithstanding any contrary provision of Laws 1969, Chapters 641 or

694, and in lieu of the benefit increase provided for in section 4, subdivision 4, the governing body of a participating municipality is authorized by resolution approved by a majority of the members of the governing body, following consideration of an actuarial analysis of the effect of any change, to increase the service pension or retirement benefits provided by or modify any provision of the benefit plan of either a police relief association or a firefighters relief association. The total cost of any increase or modification, including amortization by the applicable date to amortize specified in any prior applicable special legislation, shall not exceed 1.26 percent of covered payroll.

**Sec. 8. [MINNEAPOLIS POLICE AND FIREFIGHTERS RELIEF ASSOCIATIONS: MINIMUM MEMBER CONTRIBUTION.]** Notwithstanding any provision of Minnesota Statutes, Section 69.77, or any other law to the contrary, the minimum employee contribution to the special fund of the relief association for retirement and survivorship benefits by each member of the Minneapolis police relief association or the Minneapolis firefighters relief association, during the remaining term of covered employment by the member shall be seven percent of the maximum salary from which retirement and survivorship credits and amounts of benefits are determined, effective July 1, 1980, and eight percent effective January 1, 1981.

**Sec. 9. [HEALTH AND WELFARE BENEFIT.]** Notwithstanding any law to the contrary, any person who, after July 1, 1980, retires on a service pension or a disability benefit from the Minneapolis police relief association or the Minneapolis firefighters relief association shall be entitled on January 1, 1981, or upon the date of retirement, whichever occurs later, to receive a monthly health and welfare benefit. The monthly health and welfare benefit shall be an amount equal to one unit as defined pursuant to Laws 1963, Chapter 315, Section 1, Subdivision 3, for the Minneapolis police relief association, or Minnesota Statutes, Section 69.45, for the Minneapolis firefighters relief association, whichever is applicable. The monthly health and welfare benefit shall be paid to the retired member unless the retired member designates in writing that the amount be paid to an insurance carrier to defray the cost of any health or welfare related insurance coverage.

**Sec. 10. [DETERMINATION OF FINANCIAL REQUIREMENTS OF RELIEF ASSOCIATION AND MINIMUM MUNICIPAL OBLIGATION.]** The officers of the Minneapolis police relief association and the Minneapolis firefighters relief association shall include in their determinations of the financial requirements of the relief association and the minimum obligation of the governmental subdivision submitted to the city of Minneapolis on or before September 1, 1980, pursuant to Minnesota Statutes, Section 69.77, Subdivision 2, Clauses (2) and (3), the cost of the health and welfare benefit as estimated by the actuary of the respective relief association based on the most recent actuarial valuation of the relief association prepared pursuant to Minnesota Statutes, Sections 69.77, 356.215 and 356.216. The city

*of Minneapolis shall provide sufficient financial support to each relief association to meet the minimum obligation of the governmental subdivision including the cost of the health and welfare benefit, effective January 1, 1981.*

**Sec. 11. [EFFECTIVE DATE.] Sections 1, 2, 4 and 6 shall be effective the day following final enactment. Section 3 shall be effective July 1, 1980. Section 5 shall be effective January 1, 1981. Any benefit change pursuant to section 7 shall be effective upon approval by the governing body of the municipality and upon compliance with Minnesota Statutes, Section 645.021. Sections 8, 9 and 10 are effective upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.**

**Sec. 12. Minnesota Statutes 1978, Section 124.212, Subdivision 10, is amended to read:**

**Subd. 10. (a) The equalization aid review committee, consisting of the commissioner of education, the commissioner of administration, and the commissioner of revenue, is hereby continued and permanently established. The duty of this committee shall be to review the assessed valuation of the districts of the state. When such reviews disclose reasonable evidence that the assessed valuation of any district furnished by any county auditor is not based upon the market value of taxable property in such district, then said committee shall call upon the department of revenue to ascertain the market value of such property, and adjust such values as required by law to determine the adjusted assessed valuation. The department of revenue shall take such steps as are necessary in the performance of that duty and may incur such expense as is necessary therefor. The commissioner of revenue is authorized to reimburse any county or governmental official for services performed at his request in ascertaining such adjusted valuation. On or before March 15, annually, the department of revenue shall submit its report on the assessed values established by the previous year's assessment to said committee for approval or rejection and, if approved, such report shall be filed not later than the following July 1 with the commissioner of education and each county auditor for those school districts for which he has the responsibility for determination of mill rates. A copy of the adjusted assessed value so filed shall be forthwith mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which such district is located.**

**(b) For purposes of determining the adjusted assessed value of agricultural lands for the calculation of 1977 1980 adjusted assessed values and thereafter, the market value of agricultural lands shall be the arithmetic average of (1) the price for which the property would sell in an arms length transaction, and (2) the income which could be derived from its free market gross rental rate capitalized at a rate of nine percent.**

**Sec. 13. Minnesota Statutes, 1979 Supplement, Section 256.82, is amended to read:**

**256.82 [PAYMENTS BY STATE.]** Based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 70 percent of the difference between the total estimated cost and the federal funds so available for payments made after December 31, 1979 and before January 1, 1981, and ~~80~~ 90 percent of the difference for payments made after December 31, 1980. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 14. Minnesota Statutes, 1979 Supplement, Section 256D.03, Subdivision 2, is amended to read:

Subd. 2. After December 31, 1979, and before January 1, 1981, state aid shall be paid to local agencies for 60 percent and, after December 31, 1980, for ~~70~~ 90 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1, according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance at a standard higher than that established by the commissioner, without reference to the standards of section 256D.01, subdivision 1.

Sec. 15. Minnesota Statutes, 1979 Supplement, Section 256D.36, Subdivision 1, is amended to read:

**256D.36 [1973 CATEGORICAL AID RECIPIENTS; PROVISIONS FOR SUPPLEMENTAL AID.]** Subdivision 1. Commencing January 1, 1974, the commissioner shall certify to each local agency the names of all county residents who were eligible for and did receive aid during December, 1973 pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. From and after January 1, 1980, until January 1, 1981, the state shall pay 70 percent and the county shall pay 30 percent of the supplemental aid calculated for each county resident certified under this section who is an applicant for or recipient of supplemental security income. After December 31, 1980, the state shall pay ~~80~~ 90 percent and the county shall pay ~~20~~ 10 percent of the aid. The amount of supplemental aid for each individual eligible under this section shall be calculated pursuant to the formula prescribed in Title II, Section 212 (a) (3) of Public Law 93-66, as amended.

Sec. 16. Minnesota Statutes, 1979 Supplement, Section 272.02, Subdivision 1, is amended to read:

**272.02 [EXEMPT PROPERTY.]** Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025, or section 273.13, subdivisions 17, 17b or 17c, 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 or 17c* ;
- (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(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 lawful, 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.

Sec. 17. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed at 12 percent of its market value in 1979, for taxes payable in 1980 and thereafter as follows: the first \$25,000 of market value shall be valued and assessed at 12 percent; the next \$25,000 of market value shall be valued and assessed at 17 percent; the remaining market value shall be valued and assessed at 22 percent. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, shall be reduced by 50 55 percent of the tax for taxes payable in 1980 1981, and 55 percent thereafter; provided that the amount of said reduction shall not exceed \$550 for taxes payable in 1980, and \$600 thereafter. Valuation subject to relief shall be limited to 240 acres of land, most contiguous surrounding, bordering, or closest to the house occupied by the owner as his dwelling place, and such other structures as may be included thereon utilized by the owner in an agricultural pursuit, provided that noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. If the market value is in excess of the homestead base value, the amount in excess of that sum shall be valued and assessed at 25 percent of its market value in 1979, for taxes payable in 1980, and at 22 percent thereafter. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 273.132, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

Sec. 18. Minnesota Statutes, 1979 Supplement, Section 273.13, Subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a

property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed at 18 percent of the market value thereof in 1970, for taxes payable in 1980 and at 17 percent thereafter as follows: the first \$25,000 of market value shall be valued and assessed at 17 percent; the next \$25,000 of market value shall be valued and assessed at 22 percent; and the remaining market value shall be valued and assessed at 28 percent. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, shall be reduced by 50 55 percent of the amount of such tax for taxes payable in 1980 1981, and 55 percent thereafter; provided that the amount of said reduction shall not exceed \$550 for taxes payable in 1980, and \$600 thereafter. If the market value is in excess of the sum of the homestead base value, the amount in excess of that sum shall be valued and assessed at 30 percent of market value in 1970, for taxes payable in 1980 and at 28 percent thereafter. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. Class 3cc property shall include only real estate or mobile homes as defined in section 168.011, subdivision 8 which is used for the purposes of a homestead by (a) any blind person, if such blind person is the owner thereof or if such blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of such a deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) is receiving (i) aid from any state or political subdivision as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5; which aid is at least 90 percent of the total income of such disabled person from all sources. Class 3cc property shall be valued and assessed at five percent of the market value thereof as follows: the first \$28,000 shall be valued and assessed at 5 percent; in the case of agricultural land used for a homestead, the next \$25,000 of market value shall be valued and assessed at 17 percent, and the remaining market value shall be

*valued and assessed at 22 percent and in the case of all other real estate or a mobile home used for a homestead, the next \$25,000 of market value shall be valued and assessed at 22 percent, and the remaining market value shall be valued and assessed at 28 percent. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, for all purposes shall be reduced by 50 55 percent of the amount of such tax for taxes payable in 1980, 1981 and 55 percent thereafter; provided that the amount of said reduction shall not exceed \$550 for taxes payable in 1980, and \$600 thereafter. If the market value is in excess of the sum of \$28,000, the amount in excess of that sum shall be valued and assessed at 25 percent in 1979 for taxes payable in 1980 and 22 percent thereafter; in the case of agricultural land used for a homestead and 30 percent in the case of all other real estate used for a homestead for taxes payable in 1980 and 28 percent for taxes payable in subsequent years.*

Sec. 19. Minnesota Statutes 1978, Section 275.11, Subdivision 2, is amended to read:

Subd. 2. In any city or statutory city, except those organized according to Chapter 8, Laws of 1895, in addition to the levy limitation provided for in subdivision 1, an additional levy may be made for general fund purposes as herein provided shall be adjusted as follows:

If the Revised Consumer Price Index, as published by the United States Department of Labor, Bureau of Labor Statistics, for the city of Minneapolis (or if no such index is published for the city of Minneapolis, for the nearest city to Minneapolis for which such index is published), as of December 15 of any year (or for the date nearest to December 15 if no such index is published as of December 15), shall be above 102 (using the average for the years 1947-1949 as a base), the maximum levy limit shall, subject to the restrictions of this subdivision, be increased by 3½ percent for each of the first 6 points that said index may be increased and by one percent for each additional point increased above 6. A fractional point increase shall be disregarded if less than one-half point and treated as one point if one-half point, or more. In any city where more than 25 percent of the assessed valuation consists of iron ore and in any statutory city, the levy permitted by this paragraph shall be in addition to any statutory or charter limitations. In any other city, the levy authorized by this paragraph shall be made within charter limitations.

Sec. 20. Minnesota Statutes, 1979 Supplement, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1979 payable in 1980 and thereafter, "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, including the administrative costs of social services but not administrative costs of public assistance programs or of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of revenue pursuant to the administrative procedures act. Amounts levied pursuant to this clause which are in excess of the amount necessary to meet the minimum required share of a program shall be deducted from the general levy made in the following year;

(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;

(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 revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year preceding the year of levy are less than the *inflation adjusted* aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. *The "inflation adjusted aggregate of revenues in calendar year 1971" shall be the sum of (a) the aggregate of revenues received in calendar year 1971 multiplied by the total percentage increase in the consumer price index for the Minneapolis-St. Paul area from the calendar year 1971 to June of the levy year plus (b) the aggregate of revenues received in calendar year 1971. The commissioner of revenue shall calculate and notify the governmental subdivisions of the inflation adjustment by September of the levy year.* A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(j) 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;

(k) 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;

(l) 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;

(m) 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;

(n) 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;

(o) 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;

(p) pay amounts required by law to be paid to reduce unfunded accrued liability of public pension funds, including interest thereon, in accordance with the actuarial standards and guidelines specified in sections 69.71 to 69.776 and 356.215 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;

(q) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(r) 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 \* ;

(s) *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. 21. Minnesota Statutes 1978, Section 275.52, Subdivision 2, is amended to read:

Subd. 2. The levy limit base, as adjusted for previous increases pursuant to this section, may be increased each year by the governing body of the governmental subdivision affected thereby in the amount not to exceed , *in the case of a home rule charter or statutory city having a population of less than 100,000 or a county not containing a city of the first class, eight percent, or in the case of any other governmental subdivision, six percent of the previous year's levy limit base.*

Sec. 22. Minnesota Statutes 1978, Section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.] *On the last fifth day of February March, May June, and October November, of each year, the county treasurer shall make full settlement with the county auditor of his all receipts and collections collected by him for all purposes, from the date of the last settlement up to and including each day mentioned, and. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in such the form as prescribed by the state auditor may prescribe. At each settlement the treasurer shall make complete returns of his col-*

lections the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 23. Minnesota Statutes 1978, Section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.] On the last settlement day of February in March, May June, and October November, of each year, the county auditor and county treasurer shall make distribution of distribute all undistributed funds remaining in the treasury, apportioning the same them, as provided by law, and placing the same them to the credit of the state, town, city, or school district, special district and each county fund. Within 20 days after such the distribution is completed, the county auditor shall make a report thereof of it to the state auditor, in such the form as prescribed by the state auditor may prescribe. The county auditor shall issue his warrant for the payment of any moneys remaining in the county treasury to the credit of the state, town, city, or school district, or special districts on application of the persons entitled to receive the same them.

Sec. 24. Minnesota Statutes 1978, Section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.] As soon as practical after each settlement in February March, May June, and October November the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, or school district, or special district, on the warrant of the county auditor, all moneys received by him receipts arising from taxes levied and collected 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, or school district, or special district to which such payment was made, who. The clerk shall preserve the same receipt in his office. Upon written request of the state, a municipal corporation or other public body, the county treasurer is authorized and directed to shall, to the extent practicable, make such partial payments of amounts collected periodically in advance of final settlements as may be practicable the next settlement and distribution. Accompanying each payment to the state treasurer or treasurer of any town, city, or school district 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 such the taxes and any penalties thereon. The county treasurer shall upon written request of the state, a municipal corporation or other public body pay at least 70 percent of the estimated collection within 30 days after the settlement date. 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. 25. Minnesota Statutes 1978, Section 290A.04, is amended by adding a subdivision to read:

*Subd. 2c. If the net property taxes payable on a homestead in 1981 increase more than twelve percent over the net property taxes payable in 1980, a claimant who is a homeowner shall be allowed an additional refund equal to the amount by which the increase exceeds twelve percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$200.*

*For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.*

*In addition to proofs required pursuant to chapter 290A, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.*

Sec. 26. Minnesota Statutes, 1979 Supplement, Section 473.436. Subdivision 5, is amended to read:

Subd. 5. [BUS PURCHASES AND OTHER IMPROVEMENTS.] In addition to obligations outstanding on ~~July 1, 1977~~ *January 1, 1980*, the commission may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding \$9,000,000 for the purposes of purchasing buses and related equipment, and constructing maintenance and other buildings, bus shelters and road related improvements.

Sec. 27. Minnesota Statutes, 1979 Supplement, Section 473.446, Subdivision 1, is amended to read:

473.446 [TRANSIT TAX LEVIES.] Subdivision 1. [AMOUNT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, the metropolitan transit commission shall levy each year upon all taxable property within the metropolitan transit taxing district, defined herein *in this section*, a transit tax consisting of:

(a) An amount equal to ~~1.72~~ *2.0* mills times the assessed value of all such property, the proceeds of which shall be used for payment of the expenses of operating regular route bus 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.

Sec. 28. Minnesota Statutes, 1979 Supplement, Section 477A.01, Subdivision 1, is amended to read:

477A.01 [LOCAL GOVERNMENT AID.] Subdivision 1. The state shall make available for distribution \$64 \$71 for each person residing in the state for the calendar year 1980 and \$70 for calendar year 1981 to the several taxing authorities, except school districts, with authority to impose taxes on property located in the state. For purposes of this subdivision the number of persons residing in the state shall be the 1970 federal census population.

Sec. 29. Minnesota Statutes, 1979 Supplement, Section 477A.01, Subdivision 4, is amended to read:

Subd. 4. (a) The balance of the distributions in 1980 pursuant to subdivision 1, shall be divided among the several cities and towns in the state as provided herein:

(1) Funds shall be distributed to all cities and towns which are not subject to the levy limitations imposed pursuant to sections 275.50 to 275.56, with the distribution to be based on the average equalized mill rate of each city or town. For purposes of this clause, "average equalized mill rate" shall be defined as the sum of the 1970 mill rate of the city or town plus its 1978 mill rate plus its 1977 mill rate, multiplied by its 1978 aggregate sales ratio as determined by the commissioner of revenue divided by three.

If the average equalized mill rate of the city or town is ten or less, the city or town will receive a distribution equal to that which it received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1970, plus, in the case of a city, the sum of \$1 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the city or town will receive a distribution equal to that which it received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1970, plus the sum of \$3 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than 20, the city or town will receive a distribution equal to that which it received pursuant to Minnesota Statutes 1978, Section 477A.01, for 1970, plus the sum of \$5 multiplied by its population as determined under section 275.53.

(2) Funds shall be distributed to the city of Minneapolis in an

amount equal to the amount distributed to that city for 1970 pursuant to Minnesota Statutes 1978, Section 477A.01.

(3) The funds remaining after distribution has been made pursuant to paragraphs (1) and (2) shall be distributed according to the provisions of this paragraph among the cities and towns, other than the city of Minneapolis, which are subject to the levy limitations imposed pursuant to sections 275.50 to 275.56.

(i) For purposes of the 1980 distribution, the "local revenue base" of a city or town shall be the sum of its levy limitation for taxes levied in 1978 plus the amount of the distribution it received for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01, except that the "local revenue base" of a city of the first class located within the metropolitan area defined in section 473.121, subdivision 2 shall be the sum of its levy limitation for taxes levied in 1978, multiplied by .85, plus the amount of the distribution it received for 1979 pursuant to Minnesota Statutes 1978, Section 477A.01.

(ii) A preliminary state aid factor shall be established for each city and town by subtracting from the local revenue base, an amount equal to ten mills multiplied by the 1979 taxable valuation of the city or town, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town located within the metropolitan area and less the captured value in any tax increment district, divided by its 1978 aggregate sales ratio as determined by the commissioner of revenue.

(iii) A final state aid factor shall be established for each city and town by adjusting the preliminary state aid factor to comply with the following restrictions:

The final state aid factor for a city or town shall be an amount which is equal to or greater than an amount computed pursuant to the following:

If the average equalized mill rate of the city or town is ten or less, the final state aid factor of the city or town shall be at least equal to the amount which the city or town received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1979, plus the sum of \$1 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the final state aid factor of the city or town will be at least equal to the amount which the city or town received pursuant to Minnesota Statutes 1978, Section 477A.01 for 1979 plus the sum of \$3 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than 20, the final state aid factor of the city or town will be at least equal to the amount which the city or town received pursuant to Minnesota Statutes 1978, Section 477A.01, for 1979, plus the sum of \$5 multiplied by its population as determined under section 275.53.

The final state aid factor for any city or town shall not exceed the previous year's distribution under Minnesota Statutes 1079, Section 477A.01 by more than the following percent: if a city received more than \$100 per capita in 1979 pursuant to Minnesota Statutes 1079, Section 477A.01, using the population determined pursuant to Minnesota Statutes 1079, Section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(iv) The amount of the distribution for which a city or a town is eligible under this paragraph shall be determined as follows: For each city or town, its final state aid factor increase shall be the difference between its final state aid factor determined pursuant to this paragraph and the amount of distribution which it received for 1979 pursuant to Minnesota Statutes 1079, Section 477A.01. The final state aid factor increase of each city or town shall be divided by the sum of the final state aid factor increases for all cities and towns receiving distributions under this paragraph; that quotient shall be multiplied by the amount of the increase in funds available for distribution under this paragraph over the sum of the amounts distributed to those cities and towns for 1979 pursuant to Minnesota Statutes 1079, Section 477A.01. That product, plus the distribution the city or town received pursuant to Minnesota Statutes 1079, Section 477A.01 for 1979, shall equal the distribution to be distributed to the city or town for 1980.

(v) The final distribution made to each city or town pursuant to this paragraph shall be in an amount which is at least equal to the distribution received by that city or town for 1979 pursuant to Minnesota Statutes 1079, Section 477A.01, but which does not exceed the amount of the city's or town's 1979 distribution by more than the following percent: if a city received more than \$100 per capita in 1979 pursuant to Minnesota Statutes 1079, Section 477A.01, using the population determined pursuant to Minnesota Statutes 1079, Section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(vi) If the amount distributed to a city or town by paragraph (iv) is limited by paragraph (v) the distribution to other cities and towns that receive aid under paragraph (3) shall be proportionately increased as necessary to absorb the difference. In no event shall a city's or town's distribution exceed the city's or town's 1979 distribution by more than the following percent: if a city received more than \$100 per capita in 1979 pursuant to Minnesota Statutes 1079, Section 477A.01, using the population determined pursuant to Minnesota Statutes 1079, Section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(b) The balance of the distributions in 1981 pursuant to subdivision 1 shall be divided among the several cities and towns in the state as provided herein + . For purposes of this subdivision, "clause (a)" shall mean Minnesota Statutes, 1979 Supplement, Section 477A.01, Subdivision 4, clause (a).

(1) Funds shall be distributed to all cities and towns which are not subject to the levy limitations imposed pursuant to sections 275.50 to 275.56, with the distributions to be based on the average equalized mill rate of each city or town. For purposes of this clause, "average equalized mill rate" shall be defined as the sum of the 1980 mill rate of the city or town plus its 1979 mill rate plus its 1978 mill rate, multiplied by its 1979 aggregate sales ratio as determined by the commissioner of revenue, divided by three.

If the average equalized mill rate of the city or town is ten or less, the city or town will receive a distribution equal to that which it received pursuant to clause (a) for 1980, plus, in the case of a city, the sum of \$1 \$2 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the city or town will receive a distribution equal to that which it received pursuant to clause (a) for 1980, plus the sum of \$4 \$5 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than 20, the city or town will receive a distribution equal to that which it received pursuant to clause (a), for 1980, plus the sum of \$6 \$7 multiplied by its population as determined under section 275.53.

(2) The funds remaining after distribution has been made pursuant to paragraph (1) shall be distributed according to the provisions of this paragraph among the cities and towns which are subject to the levy limitations imposed pursuant to sections 275.50 to 275.56.

(i) For purposes of the 1981 distribution, the "local revenue base" of a city or town shall be its local revenue base computed according to clause (a) paragraph (3) for purposes of the 1980 distribution, provided that, in the case of a city which received its 1980 aid distribution pursuant to clause (a), paragraph (2), a local revenue base shall be computed for it according to the provisions of clause (a), paragraph (3); these revenue bases shall be increased as follows:

The 1980 local revenue base will be multiplied by the percentage of increase from June, 1979, to June, 1980 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 with 1967 as a base year. The product of that computation will be added to the 1980 local revenue base. The inflation-adjusted base shall also be increased by the per-

centage increase in the population of the city or town during the preceding year as determined according to section 275.53. After adjustment for population increase the inflation-adjusted local revenue base of each city and town shall also be increased by (1) the amount of its special levies levied in 1979 to pay the costs of principal and interest on bonded indebtedness incurred in 1979 or thereafter for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers and bridges plus (2) any adjustments made to the levy limit base of the city or town pursuant to section 275.51, subdivision 3d for purposes of refuse collection and street maintenance; and (3) any adjustments made to the levy limit base of the city or town pursuant to section 275.52, subdivision 4, clause (d).

(ii) A preliminary state aid factor shall be established for each city and town by subtracting from the local revenue base, ten mills multiplied by the 1980 taxable valuation of the city or town adjusted for the contributions and distributions required by chapter 473F if applicable and less the captured value in any tax increment financing district divided by its 1979 sales ratio as determined by the commissioner of revenue.

(iii) A final state aid factor shall be established for each city and town by adjusting the preliminary state aid factor to comply with the following restrictions:

The final state aid factor for a city or town shall be an amount which is equal to or greater than an amount computed pursuant to the following:

If the average equalized mill rate of the city or town is ten or less, the final state aid factor of the city or town shall be at least equal to the amount which the city or town received pursuant to clause (a) for 1980, plus the sum of \$1 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than ten but less than or equal to 20, the final state aid factor for the city or town shall be at least equal to the amount which the city or town received pursuant to clause (a) for 1980, plus the sum of \$4 multiplied by its population as determined under section 275.53.

If the average equalized mill rate of the city or town is greater than 20, the final state aid factor for the city or town shall be at least equal to the amount which the city or town received pursuant to clause (a) for 1980 plus the sum of \$6 multiplied by its population as determined under section 275.53.

The final state aid factor for any city or town shall not exceed the previous year's distribution under section 477A.01 by more than the following percent: if a city received more than \$100 per capita in 1980 pursuant to clause (a) of this subdivision using the population determined pursuant to section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to

\$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(iv) The amount of the distribution for which a city or town is eligible under this paragraph shall be determined as follows: For each city or town, its final state aid factor increase shall be the difference between its final state aid factor determined pursuant to this paragraph and the amount of distribution which it received pursuant to clause (a). The final state aid factor increase of each city or town shall be divided by the sum of the final state aid factor increases for all cities and towns receiving distributions under this paragraph; that quotient shall be multiplied by the amount of the increase in funds available for distribution under this paragraph over the amount distributed under clause (a), paragraphs (2) and (3). That product, plus the distribution the city or town received pursuant to clause (a), shall equal the distribution to be distributed to the city or town for 1981.

(v) The final distribution made to each city or town pursuant to this paragraph shall be in an amount which is at least equal to the distribution received by that city or town for 1980 pursuant to clause (a), but which does not exceed the amount of the city's or town's 1980 distribution by more than the following percent: if a city received more than \$100 per capita in 1980 pursuant to clause (a) ~~of this subdivision~~ using the population determined pursuant to section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

(vi) If the amounts distributed to a city or town by paragraph (iv) is limited by paragraph (v) the distribution to other cities and towns who receive aid under paragraph (2) shall be proportionately increased as necessary to absorb the difference. In no event shall a city's or town's distribution exceed the city's or town's 1980 distribution by more than the following percent: if a city received more than \$100 per capita in 1980 pursuant to clause (a) of this subdivision using the population determined pursuant to section 275.53, 12 percent; if more than \$75 per capita but less than or equal to \$100 per capita, 15 percent; if more than \$50 per capita but less than or equal to \$75 per capita, 17 percent; or if less than or equal to \$50 per capita, 20 percent.

Sec. 30. [AGRICULTURAL LAND VALUATION.] *For purposes of taxes levied in 1981, payable in 1982 and thereafter, the estimated market value of agricultural land shall be the lesser of the market value determined pursuant to Minnesota Statutes, Section 273.11 or the income which could be derived from its free market gross rental rate capitalized at a rate of 6.6 percent. By January 1, 1981, each county assessor shall prepare a compilation of agricultural land rental rates to be used in his county, recording the range of values in each township within the county and report the same to the commissioner of revenue.*

Sec. 31. [EFFECTIVE DATE.] *Sections 16, 17, 18, 19, 20, 21 and 27 are effective for taxes levied in 1980, payable in 1981 and*

thereafter. Sections 22, 23, 24 and 26 are effective the day following final enactment. Section 25 is effective only for property tax refunds based on property taxes payable in 1981. In the case of a veteran who has died prior to the effective date of section 18, the surviving spouse may apply for a reclassification of the property in accordance with the provisions of this act. Applications for reclassification shall be filed with the assessor in the county in which the property is located.

### ARTICLE III: PROPERTY TAX REFUND

Section I. Minnesota Statutes 1978, Section 290A.11, is amended by adding a subdivision to read:

*Subd. 1a. If the commissioner is notified pursuant to section 375.192, subdivision 1, that a reduction in assessed value was granted and the claimant's property taxes were decreased, 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.*

Sec. 2. Minnesota Statutes 1978, Section 290A.18, is amended to read:

290A.18 [RIGHT TO FILE CLAIM.] If a person entitled to relief under sections 290A.01 to ~~290A.21~~ 290A.23 dies prior to ~~filing a claim or~~ receiving relief, the surviving spouse ~~or~~, dependent ~~or personal representative~~ of the person shall be entitled to file the claim and receive relief. ~~If there is no surviving spouse or dependent, the right to the credit shall lapse.~~

Sec. 3. Minnesota Statutes 1978, Section 375.192, Subdivision 1, is amended to read:

375.192 [REDUCTIONS IN ASSESSED VALUATION OF REAL PROPERTY.] Subdivision 1. Notwithstanding section 270.07, upon written application by the owner of the property, the county board of each county shall have power to grant such reduction, for the current year, of the assessed valuation of any real property in that county which erroneously has been classified, for tax purposes, as non-homestead property, as is necessary to give it the assessed valuation which it would have received if it had been classified correctly. The application shall be made on a form prescribed by the commissioner of revenue. It shall include the social security number of the applicant and a statement of facts of ownership and occupancy, and shall be sworn to by the owner of the property before an officer authorized to take acknowledgments. Before it is acted upon by the county board, the application shall be referred to the county assessor, or if the property is located in a city of the first class having a city assessor, to such assessor, who shall investigate the facts and attach his report of such investigation to the application.

*With respect to abatements relating to the current year's tax processed through June 30, the county auditor shall notify the*

*commissioner of revenue on or before July 31 of that same year of all applications granted pursuant to this subdivision. Subsequently, with respect to abatements relating to the current year's tax processed after June 30 through the balance of the year, the county auditor shall notify the commissioner of revenue on or before the following January 31 of all such applications granted pursuant to this subdivision. The form submitted by the county auditor shall be prescribed by the commissioner of revenue and shall contain the information which the commissioner deems necessary.*

*Sec. 4. [EFFECTIVE DATE.] Sections 1 and 3 are effective upon final enactment. Section 2 is effective for claims based on rent paid in 1979 and subsequent years and property taxes payable in 1980 and subsequent years.*

#### ARTICLE IV: STATE REIMBURSEMENT

**Section 1.** Minnesota Statutes 1978, Section 124.212, Subdivision 2, is amended to read:

**Subd. 2.** Except as may otherwise be provided in this section, the following words and phrases when used in this section shall have the meanings herein ascribed to them.

(1) "Adjusted maintenance cost" means the state and local current expense for pupils in elementary and secondary schools, exclusive of transportation, veterans training program, community services, and after reduction for receipts from the sale of authorized items sold to the individual pupil by the school such as lunches, items of personal use, or other items specifically authorized by law or under the procedures set forth in sections 120.71 to 120.76, and after reduction for receipts from quasi-school activities when the school board has assumed direction and control of same. For purposes of determining the adjusted maintenance costs, the state department of education shall use only figures from the annual financial reports of the districts for the prior year and any supplementary documents received by it on or before August 1 of the current year. For any district which has not transmitted to the department of education before August 1, its annual financial report for the prior year, the figures from the most recent financial report of that district received on or before August 1, shall be used for purposes of calculating its certified levy and foundation aid.

(2) "Adjusted assessed valuation" shall mean 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. *In determining adjusted assessed valuation, property which qualifies for the reimbursement specified in section 3, shall be treated as if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of non-homestead property.*

**Sec. 2.** *The 1979 and 1980 adjusted assessed values for taxes payable in 1981 and 1982 determined under the provisions of section 124.212 shall be adjusted so that property which qualifies*

*for the reimbursement specified in section 3 shall be treated as if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of nonhomestead property.*

Sec. 3. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.139] [SUBSIDIZED HOUSING REIMBURSEMENT.]  
Subdivision 1. [REDUCED ASSESSMENT REIMBURSEMENT.] (a) *Each taxing jurisdiction shall receive reimbursement in 1981 and subsequent years for the difference between the tax determined pursuant to clause (b) and the tax actually payable by the owner of property which qualifies for the assessment categories described by section 273.13, subdivisions 17 and 17b, and on property that qualifies as class 3c pursuant to section 273.13, subdivision 7.*

(b) *The county auditor shall calculate the tax on the property described in clause (a) in the same manner as the property would be assessed, if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of nonhomestead property.*

(c) *The difference between the amount calculated pursuant to clause (b) and the amount of tax actually payable by the owner on property described in clause (a) shall be certified by the county auditor and reported to the commissioner of revenue by May 1 of 1981 and subsequent years in a manner prescribed by the commissioner. The commissioner shall make payments to the taxing jurisdictions on July 15 of 1981 and subsequent years.*

Subd. 2. *When computing mill rates pursuant to sections 275.08 and 275.09, the county auditor shall regard property described in subdivision 1, clause (a) as if it were valued as class 3b or 3c in the case of homestead property, or class 3d in the case of nonhomestead property.*

Sec. 4. Minnesota Statutes 1978, Section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.] *On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case*

of Class 2a property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall also include the base tax as defined in section 273.011, subdivision 4, for qualified property as defined in section 273.011 for which the credit provided for in section 273.012 is claimed. The statement shall show the amount attributable to section 273.132 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit". The commissioner of revenue shall provide each county auditor with the names of those persons in the assessor's district who have filed and qualified for the property tax credit pursuant to sections 273.011 and 273.012 and shall inform the assessor of the base tax of those persons. *The statement shall show the reduction attributable to the aid given pursuant to section 3 and shall indicate that the reduction is paid by the state of Minnesota.* If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 5. [APPROPRIATION.] *There is annually appropriated from the general fund to the commissioner of revenue an amount necessary to make the payments required by section 3.*

Sec. 6. [EFFECTIVE DATE.] *Sections 1 to 5 are effective for property taxes levied in 1980, payable in 1981.*

## ARTICLE V: GAS TAX

Section 1. Minnesota Statutes 1978, Section 296.02, Subdivision 1, is amended to read:

296.02 [GASOLINE, EXCISE TAX.] Subdivision 1. [TAX IMPOSED FOR MOTOR VEHICLE USE.] There is hereby imposed an excise tax of nine 11 cents per gallon on all gasoline used in producing and generating power for propelling motor vehicles used on the public highways of this state. This tax shall be payable at the times, in the manner, and by persons specified in this chapter.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 473.596, is amended to read:

473.596 [ACCESS STREETS AND HIGHWAYS, HIGHWAY USER TAX DISTRIBUTION FUND.] So long as the tax imposed pursuant to article XIV, section 10, of the Minnesota Constitution is at or below the rate fixed by law on January 1, 1979, No money derived from the highway user tax distribution fund shall be used to construct, relocate, or improve any streets, highways, or other public thoroughfares, except ones included in the municipal state aid street system established pursuant to

article XIV, section 4, if such work is done in order to provide or improve access to a new sports facility constructed pursuant to sections 473.551 to 473.595. The commissioner of transportation shall determine whether expenditures are in violation of this section.

*Sec. 3. The consumer services division of the department of commerce shall monitor the compliance of gasoline retailers operating in this state with the mandatory petroleum price regulations imposed under federal law. If a retailer is found to be not in compliance, he shall be subject to a fine of \$1,000 for each day during which the noncompliance exists.*

*Sec. 4. [EFFECTIVE DATE.] Sections 1, 2 and 3 are effective July 1, 1980.*

#### ARTICLE VI: CORPORATE INCOME TAX

Section 1. Minnesota Statutes 1978, Section 290.06, Subdivision 1, is amended to read:

290.06 [RATES OF TAX; CREDITS AGAINST TAX.] 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 credits allowed under section 290.21 the rate of 12 percent. The amount of tax payable by a corporation required to file a return shall not be less than \$100.

*Sec. 2. [REPEALER.] Minnesota Statutes 1978, Section 290.21, Subdivision 2, is repealed.*

*Sec. 3. [EFFECTIVE DATE.] Sections 1 and 2 are effective for taxable years beginning after December 31, 1980.*

#### ARTICLE VII: UTILITY PROPERTY

Section 1. Minnesota Statutes 1978, Section 273.36, is amended to read:

273.36 [ELECTRIC LIGHT AND POWER COMPANIES.] Personal property of electric light and power companies having a fixed situs in any city in this state shall be listed and assessed where situated, without regard to where the principal or other place of business of the company is located. *Transmission lines having a voltage of 69 kv and above, all attachments and appurtenances thereto, having a fixed situs in this state shall be listed and assessed where situated, without regard to where the principal or other place of business of the company is located.*

*Sec. 2. Minnesota Statutes 1978, Section 273.37, Subdivision 2, is amended to read:*

*Subd. 2. All Transmission lines of less than 69 kv and distribution lines, and equipment attached thereto, having a fixed situs outside the corporate limits of cities except distribution lines tax-*

ed as provided in sections 273.40 and 273.41, shall be listed with and assessed by the commissioner of revenue in the county where situated. The commissioner shall assess such property at the percentage of market value fixed by law; and, on or before the fifteenth day of November, shall certify to the auditor of each county in which such property is located the amount of the assessment made against each company and person owning such property.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 273.42, 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 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 percent to the general revenue fund of the county, 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, after deducting the amount required for the property tax credit as provided in subdivision 2. 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 a payment to a town exceeds ten percent of the town's levy for the preceding year, the excess amount shall be paid to the county.

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 county by ten percent of the transmission line tax revenue derived from the tax on that portion of the line within the city or township pursuant to this section section 273.36. 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 on 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 affected parcel is included on the property tax statement of the landowner

*as part of a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is 40 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.*

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 275.51, Subdivision 3d, is amended to read:

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clauses (a), (c), (d), (e), and (f), except for levies made to pay tort judgments and make settlements of tort claims or to pay the salaries and benefits of municipal and probate court judges, plus

(4) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clause (g) for the administrative costs of public assistance programs or county welfare systems, plus

(5) one-half of the amount of the special levy authorized under section 275.50, subdivision 5, clause (n) shall be added to the permanent levy limit base of the governmental subdivision in the year following the year in which it has been discontinued as a special levy pursuant to the provisions of section 275.50, subdivision 5, clause (n).

(b) The sum computed in clause (a) shall be increased annually in the manner provided in section 275.52 to derive the levy limit base for successive years.

(c) For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. To determine the levy limit base for taxes levied in 1979 payable 1980

and subsequent years, (a) the levy limit base used for taxes levied in 1979 payable in 1980 shall be increased by the excess of the amount levied in 1979 for refuse collection and street maintenance over the amount levied in 1978 payable 1979 for those purposes; and (b) in the case of a city of the first class located within the metropolitan area defined in section 473.121, subdivision 2, for the purpose of calculating the levy limit base to be used for taxes levied in 1979, payable 1980, the levy limit base used for taxes levied in 1978, payable 1979, shall be reduced by an amount sufficient to reduce the levy limitation for taxes levied in 1978 payable 1979 by 15 percent. *To determine the levy limit base used for taxes levied in 1981 payable in 1982 and subsequent years, the levy limit base used for taxes levied in 1981 payable in 1982 shall be increased by the revenue derived by the governmental subdivision for taxes levied in 1980 payable in 1981 from transmission lines of 69 kv or greater assessed under Minnesota Statutes 1978, Section 273.37.* Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (c), (d), (e) or (f) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.

(d) The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and taconite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivision 1; 298.282 and state reimbursements for wetlands property tax exemptions provided in section 272.02, subdivision 1, clause (16); and the payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction, to be paid in the calendar year in which property taxes are payable. As provided in section 298.28, subdivision 1, for taxes payable in 1978 and 1979, two cents per taxable ton, and for taxes payable in 1980 and thereafter, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4) (c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 5. Laws 1979, Chapter 303, Article II, Section 39, is amended to read:

Sec. 39. [EFFECTIVE DATE.] Sections 5, 8, 18, 19 and 24 except as otherwise provided and 38, subdivision 2 1, are effective for taxes levied in 1980 payable in 1981 and thereafter.

Sections 6, 16 and 17 are effective for taxes levied in 1979 payable 1980 and thereafter.

Sections 20, 21 and 38, subdivision 2, are effective for 1981 payable 1982 and thereafter.

Sections 28 to 34 are effective for claims based on property

taxes payable in 1980 and rent constituting property taxes in 1979 and subsequent years, except that section 28, subdivision 3, clause (f) is effective for property tax refund claims based on rent paid in 1976 and property taxes payable in 1977 and subsequent years.

**Sec. 6 [EFFECTIVE DATE.]** *Sections 1 to 3 are effective for taxes levied in 1981 and thereafter, and payable in 1982 and thereafter.*

## ARTICLE VIII: MISCELLANEOUS

**Section 1. Minnesota Statutes 1978, Section 272.01, Subdivision 2, is amended to read:**

**Subd. 2. (a)** When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association or corporation in connection with a business conducted for profit; ~~except where such use is by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, airport, port authority, municipal auditorium, municipal museum or municipal stadium,~~ there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

*(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fair grounds, port authority, municipal auditorium, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp, concourse, passenger check-in area or ticket sale counter, boarding area or luggage claim area in connection with a public airport.*

*(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, such the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property, subject to the tax imposed by this subdivision, is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.*

**Sec. 2. Minnesota Statutes 1978, Section 273.19, Subdivision 1, is amended to read:**

**273.19 [LESSEES AND EQUITABLE OWNERS.]** Subdivision 1. Except as provided in subdivision 3, property held under a lease for a term of three or more years, and not taxable under section 272.01, subdivision 2, *clause (b) (1)*, or under a contract for the purchase thereof, when the property belongs to the United States,

to the state, or to any religious, scientific, or benevolent society or institution, incorporated or unincorporated, or to any railroad company or other corporation whose property is not taxed in the same manner as other property, or when the property is school or other state lands, shall be considered, for all purposes of taxation, as the property of the person so holding the same.

Sec. 3. Minnesota Statutes 1978, Section 275.28, Subdivision 3, is amended to read:

Subd. 3. [DESIGNATION OF YEAR OF TAX.] Beginning with property taxes payable in 1964 1980, taxes on real and personal property shall continue to be related to the year in which assessed but shall be *and* designated by the year in which they become payable but the liens shall relate back to the assessment date preceding except as otherwise provided; and further provided that such designation shall not be deemed to change the date or period to which such property taxes relate.

Sec. 4. Minnesota Statutes 1978, Section 273.135, Subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be

(a) in the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the amount of such tax, provided that the amount of said reduction shall not exceed the maximum amount specified in clause (e) (c) .

(b) in the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the amount of such tax, provided that the amount of said reduction shall not exceed the maximum amount specified in clause (e) (c) .

(c) in the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area; and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county; 57 percent of the amount of the tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amount specified in clause (e). The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(d) in the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not

in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the amount of the tax, but not to exceed the maximum specified in clause (e).

(e) The maximum reduction for property described in clause (a) shall be \$385 and for property described in clauses clause (b), (c) and (d), \$330 for taxes payable in 1978. These maximum amounts shall increase by \$15 per year for taxes payable in 1979 and subsequent years.

Sec. 5. Minnesota Statutes 1978, Section 296.14, is amended by adding a subdivision to read:

*Subd. 4. Notwithstanding the provisions of this section, the producer of ethyl alcohol which is produced for personal use and not for sale in the usual course of business shall report and pay the tax on all ethyl alcohol delivered into the supply tank of a licensed motor vehicle during the preceding calendar year. The tax shall be reported and paid together with the income tax return of the taxpayer.*

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1, is amended to read:

297A.25 [EXEMPTIONS.] 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;

(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 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) 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) 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, build-

ers 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) 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) 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) 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) *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.*

Sec. 7. Minnesota Statutes 1978, Section 298.223, is amended to read:

298.223 [TACONITE AREA ENVIRONMENTAL PROTECTION FUND.] A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota *located within a tax relief area defined in section 273.134 that are adversely affected* by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

(a) to initiate investigations into matters the Iron Range Resources and Rehabilitation Board determines are in need of study and which will determine the environmental problems requiring remedial action;

(b) reclamation, restoration or reforestation of minelands not otherwise provided for by state law;

(c) local economic development projects including construction of sewer and water systems, and other public works *located within a tax relief area defined in section 273.134*;

(d) monitoring of mineral industry related health problems among mining employees.

The taconite environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the Iron Range Resources and Rehabilitation Board, this list shall be submitted to the legislative advisory commission for its review. This list with the recommendation of the legislative advisory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each individual project. Funds for a project may be expended only upon approval of the project by the governor.

Notwithstanding the above, in 1977 the commissioner, with the recommendation of the board, shall submit a list of projects to the legislative advisory commission by June 15. This list shall by July 1 be transmitted to the governor for approval. Funds may be expended upon approval by the governor.

There is hereby annually appropriated to the commissioner of the Iron Range Resources and Rehabilitation Board such funds as are necessary to carry out the projects approved and such funds as are necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section

298.28, subdivision 1, clause (9) relating to the taconite environmental protection fund.

Sec. 8. Minnesota Statutes 1978, Section 298.28, Subdivision 1, is amended to read:

298.28 [DIVISION AND DISTRIBUTION OF PROCEEDS.]  
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 to school districts to be distributed as follows:

(a) 6 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 (c), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 or in which is located property which is entitled to the reduction of tax pursuant to section 273.135, subdivision 2, clause (e). The 23 cents, less any amount distributed under part (c), shall be distributed in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year

for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, permitted 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 2a, clause (4).

(c) 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) 4 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) 1 cent per taxable ton to the state.

(7) 3 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. Of this amount, one cent per taxable ton is to be used to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to *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.*

~~(8)~~ (7) .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)~~ (8) 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)~~ (9) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to ~~(9)~~ (8) and parts (a), (b), and (c) 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 1978, 1979, 1980, 1981, and 1982, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund; in 1983 and thereafter, one-half to each 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.

(c) 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 sections 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. 9. Minnesota Statutes 1978, Chapter 477A, is amended by adding a section to read:

[477A.15] [TACONITE AID REIMBURSEMENT.] *Any school district in which is located property which had been entitled to a reduction of tax pursuant to Minnesota Statutes 1978, Section 273.135, Subdivision 2, clause (c), shall receive in 1981 and subsequent years an amount equal to the amount it received in 1980 pursuant to Minnesota Statutes 1978, Section 298.28, Subdivision 1, clause (3)(b). Any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, and in which are located local units of government which received environmental development grants in 1980 pursuant to Minnesota Statutes 1978, Section 298.28, Subdivision 1, clause (7), shall receive in 1981 and subsequent years an amount equal to the aggregate amount of the grants given to those local units in that county under that clause in 1980. The money distributed to the counties shall be used to provide environmental development grants. Payments shall be made pursuant to this section by the commissioner of revenue to the taxing jurisdictions on July 15 of 1981 and each year thereafter.*

Sec. 10. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.139] [SUPPLEMENTARY HOMESTEAD PROPERTY TAX RELIEF.] *Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area described in subdivision 2 on class 3b property not exceeding 240 acres, on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the market value of the property, for all purposes shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained therein.*

*Subd. 2. The amount of the reduction authorized by subdivision 1 shall be:*

*(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the amount of the tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that*

*the amount of said reduction shall not exceed the maximum amount specified in clause (c). The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.*

*(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the amount of the tax, but not to exceed the maximum specified in clause (c).*

*(c) The maximum reduction shall be \$375 for taxes payable in 1981. These maximum amounts shall increase by \$15 per year for taxes payable in 1982 and subsequent years.*

*Subd. 3. Not later than December 1 of each year, commencing in 1980, each county auditor having jurisdiction over one or more tax relief areas defined in subdivision 2 shall certify to the commissioner of revenue his estimate of the total amount of the reduction, determined under subdivision 2, in taxes payable the next succeeding year with respect to all tax relief areas in his county.*

*Subd. 4. For the purposes of this section, the amount of property tax to be paid shall be determined before the allowance of any reduction prescribed by section 273.13, and the reduction prescribed by this section shall be in addition to that prescribed by section 273.13.*

**Sec. 11. Minnesota Statutes 1978, Section 124.212, Subdivision 8a, is amended to read:**

**Subd. 8a. (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. For districts which received payments under sections 124.215, subdivision 2a; 124.25; 124.28; 124.30; 473.633 and 473.635; the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125, but not to exceed 50 percent of the previous year's payment.

**(2)** For districts which received payments under sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; section 9; 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; 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 in 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. 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. 12. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. Reductions in levies pursuant to this clause, 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 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; section 9; 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; 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 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments 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, clause 1 or 2, to an amount less than the amount raised by a levy of 10 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 2a, clause (4) 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, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to that subdivision. The reduction of the capital expenditure 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 294.28; 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 124.212, subdivision 8a, 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 124.212, subdivision 8a, 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.

Sec. 13. Minnesota Statutes 1978, Chapter 298, is amended by adding a section to read:

[298.401] [APPORTIONMENT OF INCOME.] *All imputed income determined pursuant to section 298.40, subdivision 1, clause (b) is and shall be apportioned to Minnesota.*

Sec. 14. [FARM WINERY LICENSES.] *Subdivision 1. For purposes of this section and of section 2:*

(a) *"Farm winery" means a winery operated by the owner of a Minnesota farm and producing table or sparkling wines from grapes, grape juice, other fruit bases or honey with a majority of the ingredients grown or produced in Minnesota.*

(b) *"Table or sparkling wines" means a beverage made without rectification or fortification and containing not more than 25 percent of alcohol by volume and made by the fermentation of grapes, grape juice, other fruits or honey.*

*Subd. 2. The commissioner of public safety may issue a farm winery license to the owner or operator of a farm winery located within the state and producing table or sparkling wines. Licenses*

shall be issued and renewed on an annual basis upon payment of a fee of \$25, which shall be in lieu of all other license fees required by Minnesota Statutes, Chapter 340.

**Subd. 3.** A license shall authorize the sale on the farm winery premises of table or sparkling wines produced by that farm winery at on-sale or off-sale in retail or wholesale lots, in total quantities not in excess of 50,000 gallons in any calendar year, glassware, wine literature and accessories, and the dispensing of free samples of the wines offered for sale. Sales at on-sale and off-sale may be made on Sundays between 12 o'clock noon and 12 o'clock midnight. Labels for each type or brand produced shall be registered with the commissioner, without fee, prior to the sale thereof.

**Subd. 4.** Except as otherwise specified in this section, all provisions of Minnesota Statutes, Chapter 340 shall govern the production, sale, possession and consumption of table or sparkling wines produced by a farm winery.

**Subd. 5.** If Minnesota produced or grown grapes, grape juice, other fruit bases or honey is not available in quantities sufficient to constitute a majority of the table or sparkling wine produced by a farm winery, the holder of the farm winery license may file an affidavit stating this fact with the commissioner of public safety. If the commissioner determines, after consultation with the commissioner of agriculture, this to be true, the farm winery may use imported products and shall continue to be governed by the provisions of this section and section 2. The affidavit is effective for a period of one year, after which time the farm winery shall use the required amount of Minnesota products as provided by subdivision 1 unless the farm winery holder files a new affidavit with the commissioner.

**Sec. 15. [TAXATION.]** In lieu of all taxes imposed by Minnesota Statutes, Section 340.47, there shall be levied and collected on all table or sparkling wines manufactured or produced by a Minnesota farm winery, the following excise tax:

(a) Wines containing 14 percent or less of alcohol by volume, the sum of five cents per gallon;

(b) Wines containing more than 14 percent and not exceeding 21 percent of alcohol by volume, the sum of 15 cents per gallon;

(c) Wines containing more than 21 percent and not exceeding 25 percent of alcohol by volume, the sum of 30 cents per gallon.

Payment and collection of taxes imposed by this section shall be governed by Minnesota Statutes, Chapter 340.

**Sec. 16. [APPROPRIATION.]** A sum sufficient to make the payments required by sections 9 and 10 is annually appropriated from the general fund to the commissioner of revenue for the purpose of funding those payments.

**Sec. 17. [EFFECTIVE DATE.]** Sections 1, 2, and 4 are effective for taxes levied in 1980, payable in 1981 and thereafter. Section 5 is effective for ethyl alcohol produced after April 1, 1980.

*Section 6 is effective for sales made after June 30, 1980. Sections 7 and 8 are effective for distributions made after December 31, 1980. Section 13 is effective the day following final enactment as a restatement of the intent of Minnesota Statutes, Section 298.40, as originally enacted.*

## ARTICLE IX: STATE INVESTMENT BOARD/ MINNEAPOLIS FUND

**Section 1. [11A.01] [STATEMENT OF PURPOSE.]** *The purpose of sections 1 to 23 is to establish standards which will insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.*

**Sec. 2. [11A.02] [DEFINITIONS.]** *Subdivision 1. For the purposes of sections 1 to 23, the terms defined in this section shall have the meanings given them.*

*Subd. 2. "State board" means the Minnesota state board of investment created by Article XI, Section 8 of the constitution of the state of Minnesota for the purpose of administering and directing the investment of all state funds and pension funds.*

*Subd. 3. "Council" means the investment advisory council created by section 6.*

*Subd. 4. "Fund" means any of the individual funds, including but not limited to the permanent school fund, general fund of the state, retirement funds and other funds and accounts for which the state board has responsibilities.*

*Subd. 5. "Director" means the executive director of the state board.*

*Subd. 6. "Management" means the performance or delegation of general management duties relating to any fund established pursuant to this chapter.*

**Sec. 3. [11A.03] [STATE BOARD; MEMBERSHIP; ORGANIZATION.]** *Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, the state board shall be composed of the governor, state auditor, state treasurer, secretary of state and attorney general. The governor shall serve as ex officio chairman of the state board.*

**Sec. 4. [11A.04] [DUTIES AND POWERS.]** *The state board shall:*

*(1) Act as trustees for each fund for which it invests or manages moneys in accordance with the standard of care set forth in section 7.*

*(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board shall allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board shall not be subject to the administrative procedure act.*

- (3) *Employ an executive director as provided in section 5.*
- (4) *Employ investment advisors and consultants as it deems necessary.*
- (5) *Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.*
- (6) *Maintain a record of its proceedings.*
- (7) *As it deems necessary, establish advisory committees subject to the provisions of Minnesota Statutes, Section 15.059 to assist the board in carrying out its duties.*
- (8) *Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or his agent.*
- (9) *Direct the state treasurer to sell property other than money which has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property shall be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.*
- (10) *Undertake any other activities necessary to implement the duties and powers set forth in this section.*

(11) *Establish a formula or formulas to measure management performance and return on investment. All public pension funds in the state shall utilize the formula or formulas developed by the state board.*

**Sec. 5. [11A.07] [EXECUTIVE DIRECTOR.]** *Subdivision 1. [SELECTION.] The state board shall select an executive director.*

*Subd. 2. [QUALIFICATIONS.] The director of the state board shall be well qualified by training to administer and invest the money available for investment and possess experience in the management of institutional investment portfolios. The director shall be in the unclassified state service and serve at the pleasure of the state board.*

*Subd. 3. [CONFIRMATION.] The employment of the director shall be subject to the advice and consent of the senate in the same manner as the appointment of executive officers is confirmed by the senate.*

*Subd. 4. [DUTIES AND POWERS.] The director, at the direction of the state board, shall:*

(1) *Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the state board.*

(2) *Employ such professional and clerical staff as is necessary within the complement limits established by the legislature. These employees shall be in the unclassified service of the state.*

(3) *Report to the state board on all operations under his control and supervision.*

(4) *Maintain accurate and complete records of securities transactions and official activities.*

(5) *Purchase and sell all securities on the basis of competitive offerings or bids received from at least two firms known to specialize in the securities being traded and likely to position these securities in relevant quantities. Competitive bidding shall not be required when the securities to be traded are: listed or traded on a major United States exchange, bound by underwriting restrictions or classified as private placements and offered only to a limited number of institutional investors.*

(6) *Cause all securities acquired to be kept in the custody of the state treasurer or such other depositories as the state board deems appropriate.*

(7) *Prepare and file with the director of the legislative reference library on or before November 15 of each year, a report summarizing the activities of the state board, the council and the director during the preceding fiscal year. The report shall be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers and brokerage organizations.*

(8) *Require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of their investment activities.*

(9) *Receive and expend legislative appropriations.*

(10) *Undertake any other activities necessary to implement the duties and powers set forth in this subdivision.*

Sec. 6. [11A.08] [INVESTMENT ADVISORY COUNCIL.] Subdivision 1. [MEMBERSHIP.] *There is created an investment advisory council consisting of ten members who are experienced in general investment matters and who shall be appointed by the state board.*

Subd. 2. [DUTIES AND POWERS.] *The council shall:*

(1) *Advise the state board and the director on general policy matters relating to investments;*

(2) *Advise the state board and the director on methods to improve the rate of return on invested money while insuring adequate security for that money;*

(3) *Advise the state board and the director on the form and content of the report required by section 5, subdivision 4, clause (7), so that the report clearly and objectively discloses the investment activities of the state board and the director;*

(4) *Perform other tasks of an advisory nature as requested by the state board.*

**Subd. 3. [OFFICERS; MEETINGS.]** *The council shall annually elect a chairman and vice chairman from among its members, and may elect other officers as necessary. The council shall meet at least every other month and upon the call of the chairman of the council or the chairman of the state board.*

**Subd. 4. [TERMS; COMPENSATION; REMOVAL; VACANCIES.]** *The membership terms, compensation and removal of members appointed by the state board, and filling of vacancies of such members shall be as provided in Minnesota Statutes, Section 15.059 except that council members shall not receive a per diem.*

**Subd. 5. [LIABILITY; INDEMNIFICATION.]** *A member of the council shall be indemnified and held harmless by the state for any reasonable costs or expenses incurred as a result of any actual or threatened litigation or administrative proceedings arising out of the performance of the member's duties, except an action brought by the state or agency thereof arising from the failure of a council member to perform duties in the manner prescribed in section 7.*

**Subd. 6. [CONFLICT OF INTEREST; ECONOMIC INTEREST STATEMENT.]** *No member of the council may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to the member. Additionally, no member of the council appointed by the state board may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to his employer. Members of the council shall file with the board of ethical practices an economic interest statement in a manner as prescribed by Minnesota Statutes, Section 10A.09, Subdivisions 5 and 6.*

**Sec. 7. [11A.09] [STANDARD OF CARE.]** *In the discharge of their respective duties, the members of the state board, director, board staff, members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 1 to 23 shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.*

**Sec. 8. [11A.10] [DUTIES OF OTHER OFFICIALS.]** **Subdivision 1. [CUSTODY OF SECURITIES.]** *The state treasurer and other custodians of securities belonging to the various funds shall provide in the appropriate cases the state board and its delegates with reasonable access thereto. Each security shall be held as an asset of the fund from which the investment expenditure was made.*

**Subd. 2. [ESCHEATED PROPERTY.]** *The commissioner of finance shall report immediately to the state board all personal property other than money received by the state of Minnesota as escheated property. If the state board elects to sell escheated property, all moneys received from the sale shall be credited to the general fund of the state.*

**Subd. 3. [AUDITS.]** *State audits of the activities of the state board and its delegates shall be conducted by the legislative auditor.*

**Subd. 4. [OFFICE SPACE.]** *The commissioner of administration shall provide the director and staff with suitable office and storage space in the state capitol complex as near as practicable to the office of the state treasurer.*

**Sec. 9. [11A.11] [INVESTMENT AND EXPENSE APPROPRIATION.]** *There is appropriated to the state board annually, and from time to time, the various moneys as are available for investment in the various funds subject to their supervision and control, for the purposes of the purchase, sale, exchange and lending of securities, reinvestment activities, payment of the execution expenses of securities transactions, amortization of premiums or accumulation of discounts, and contribution and redemption of participation in the funds.*

**Sec. 10. [11A.12] [GAINS AND LOSSES; DISPOSITION.]** *All interest and profit accruing from and all losses incurred by investment activity shall be credited to or borne by the fund from which the investment was made.*

**Sec. 11. [11A.13] [ASSETS AND DOCUMENTATION.]** **Subdivision 1. [LEGAL TITLE TO FUND ASSETS.]** *Legal title to the assets of state funds to be invested by the state board shall be in the state of Minnesota, or its nominees. Legal title to pension funds to be invested by the state board shall be in the state board, or its nominees, as trustees for any person having a beneficial interest in the applicable fund subject to the rights of the particular funds maintaining shares, investment participation or units in the accounts to their credit.*

**Subd. 2. [RIGHTS OF EMPLOYEES; VALIDITY OF DOCUMENTATION.]** *The rights of any public employee to any assets in the retirement funds shall be as fixed by the law or laws authorizing or requiring a retirement fund to purchase or order the redemption of investment participations or units on behalf of the public employee. The state board may rely on the documents, forms and applications of the various retirement funds which accompany money for investment or orders to redeem assets as being made in concert with the applicable law and with the rights of the public employees concerned. Accordingly, the state board need not inquire into the legality or validity of any documents, forms and applications.*

**Sec. 12. [11A.14] [MINNESOTA COMBINED INVESTMENT FUND.]** **Subdivision 1. [ESTABLISHMENT.]** *There is hereby established a Minnesota combined investment fund for*

*the purpose of providing an investment vehicle for assets of the participating funds. The combined fund shall consist of the following investment accounts: a cash management account and an equity account.*

*Subd. 2. [ASSETS.] The assets of the combined investment fund shall consist of the moneys certified to and received by the state board from participating retirement plans and funds which shall be used to purchase investment shares in the appropriate investment accounts. Each participating fund shall own an undivided participation in all the assets of the combined fund. As of any date, the total claim of a participating fund on the assets in each account shall be equal to the ratio of units owned by a fund in each account to the total issued units then outstanding.*

*Subd. 3. [MANAGEMENT.] The combined investment fund shall be managed by the state board.*

*Subd. 4. [INVESTMENTS.] The assets of the combined investment fund shall be invested by the state board subject to the provisions of section 22 with the following exceptions:*

*(a) The cash management account shall be invested in fixed-income obligations with maturities of less than three years.*

*(b) The equity account may be completely invested in corporate stocks.*

*Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] The following public retirement plans and funds shall participate in the Minnesota combined investment fund:*

*(1) State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;*

*(2) Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;*

*(3) Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;*

*(4) Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;*

*(5) Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;*

*(6) Teachers retirement fund established pursuant to Minnesota Statutes, Chapter 354;*

*(7) Judges retirement fund established pursuant to Minnesota Statutes, Chapter 490; and*

*(8) Any other fund required by law to participate.*

*Subd. 6. [INITIAL TRANSFER OF ASSETS.] As of July 1, 1980, or a later date as determined by the state board, the participating funds shall transfer to the combined investment fund all appropriate securities then held together with cash necessary for the purchase of even units in the combined fund accounts.*

**Subd. 7. [INITIAL VALUATION OF ASSETS AND UNITS.]** *All assets transferred to the Minnesota combined investment fund shall be valued at their current market value as determined by the state board, including accrued interest. The initial value of each account unit shall be \$1,000 with each participating fund allocated units in the various accounts of the Minnesota combined investment fund in the same proportion as their assets are to the total assets in each account.*

**Subd. 8. [UNREALIZED APPRECIATION (DEPRECIATION) ACCOUNT.]** *Any unrealized gains or losses in the value of investments incurred by a transferring fund shall be recorded in an unrealized appreciation (depreciation) account which is hereby created. Any future unrealized gains or losses shall also be recorded in this account at the close of each fiscal year.*

**Subd. 9. [VALUATION OF UNITS.]** (1) *Valuation of units for the equity account in the Minnesota combined investment fund shall be performed as of the last business day of each month, or more frequently should the state board determine that additional valuation dates are necessary. Valuation of units for the cash management account in the Minnesota combined investment fund shall be performed daily for every business day.*

(2) *The value of a unit for each account shall be determined by the following procedure:*

(a) *As of the close of business on the valuation date the state board shall determine the fair market value of each asset in each account, using the references, pricing services, consultants, or other methods as the state board deems appropriate.*

(b) *The sum total of the market value of all securities plus cash, less the value of undistributed income in each account, shall be divided by the number of units issued and outstanding for the account to determine the value per account unit.*

**Subd. 10. [PURCHASE AND REDEMPTION OF UNITS.]** *Purchase and redemption of units shall be on the first business day following the valuation date. All transactions shall be at the unit value as established on the immediately preceding valuation date. Except for the initial purchase of units by an authorized participant, all purchases and redemptions shall be made in cash unless the state board determines that an exception is necessary.*

**Subd. 11. [EARNINGS DEFINED.]** *Investment earnings shall be the sum total of the following of each account:*

(1) *Dividends receivable on securities trading ex-dividend up to and including the valuation date.*

(2) *Cash dividends received to and including the valuation date that were not accounted for on a previous valuation date.*

(3) *Accrued interest to and including the valuation date.*

(4) *Interest received which had not been accrued and accounted for on a prior valuation date.*

(5) *Income from the sale of options, rights, warrants, or security lending.*

(6) *Other income received to and including the valuation date.*

**Subd. 12. [DISTRIBUTION OF EARNINGS.]** *At least once each month the state board shall distribute to each participant net earnings determined proportionately in accordance with their average unit holdings in each account during the period. Unless otherwise directed by the participating fund, any distributions shall be used to purchase additional units in the accounts.*

**Subd. 13. [RECORDS REQUIRED.]** *The executive director of the state board shall keep accounting records. The records shall reflect the number of units in the Minnesota combined investment fund owned by each participating fund. No certificates or other evidence of ownership shall be required.*

**Subd. 14. [REPORTS REQUIRED.]** *As of each valuation date, or as often as the state board determines, each participant shall be informed of the number of units owned and the current value of the units. Annually, the state board shall provide to each participant, financial statements prepared in accordance with generally accepted accounting principles.*

**Sec. 13. [11A.15] [STATE BOND FUND.]** *Subdivision 1. [ESTABLISHMENT.] Pursuant to Article XI, Section 7, of the constitution of the state of Minnesota, there is hereby established a state bond fund for the purpose of the timely payment of principal and interest on bonds for which the full faith and credit of the state has been pledged. The state bond fund shall be a continuation of the state bond fund in existence on January 1, 1980.*

**Subd. 2. [ASSETS.]** *Any money appropriated to the state bond fund, any income arising from the invested assets of the state bond fund which is not immediately required to pay the principal or interest on state bonds and any proceeds arising from the sale of any securities in the state bond fund shall constitute the assets of the state bond fund.*

**Subd. 3. [MANAGEMENT.]** *The state bond fund shall be managed by the state treasurer who shall, from time to time, certify to the state board those portions of the state bond fund which in the judgment of the state treasurer are not required for immediate use.*

**Subd. 4. [INVESTMENT.]** *The state board shall invest assets of the state bond fund subject to the provisions of section 23.*

**Subd. 5. [WITHDRAWAL OF ASSETS.]** *Securities sufficient to equal the amount of money certified by the state treasurer as necessary to pay the principal or interest due on state bonds in excess of any cash on hand shall be sold at the request of the state treasurer and the certified amount of money shall be transferred to the state treasurer.*

**Subd. 6. [CREDIT OF INCOME TOWARDS SUBSEQUENT APPROPRIATIONS.]** *Notwithstanding provisions of section 10, the net income of the state bond fund after the recovery of any losses from the sale of securities shall be deducted from the amount of any subsequent appropriations for the payment of principal and interest of state bonds.*

**Sec. 14. [11A.16] [PERMANENT SCHOOL FUND.] Subdivision 1. [ESTABLISHMENT.]** *Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, there is hereby established a permanent school fund which shall be a continuation of the permanent school fund in existence on January 1, 1980.*

**Subd. 2. [ASSETS.]** *The permanent school fund shall consist of the proceeds derived from the school lands, the swamp lands and the internal improvement lands granted to the state and all cash and investments credited to the permanent school fund, to the swamp land fund and to the internal improvement land fund.*

**Subd. 3. [MANAGEMENT.]** *The permanent school fund shall be managed by the commissioner of finance.*

**Subd. 4. [INVESTMENT.]** *The permanent school fund shall be invested by the state board in the following securities as directed by Article XI, Section 8 of the constitution of the state of Minnesota:*

(a) *Interest bearing fixed income securities of the United States and its agencies, including securities fully guaranteed by the United States, bonds of Minnesota or its political subdivisions or agencies, or of other states but not more than 50 percent of any issue by a political subdivision;*

(b) *Stocks of corporations with cash dividends paid from earnings for the five consecutive years prior to purchase, but not more than 20 percent of the fund shall be invested therein nor more than one percent in stock of any one corporation, nor more than five percent of the voting stock of any one corporation shall be owned;*

(c) *Bonds of corporations whose earnings have been at least three times the interest requirements on outstanding bonds for five consecutive years or longer immediately prior to purchase, but not more than 40 percent of the fund shall be so invested;*

(d) *The percentages referred to above shall be computed using the cost price of the stocks or bonds.*

**Subd. 5. [CALCULATION OF INCOME.]** *As of the end of each fiscal year, the state board shall calculate the investment income earned by the permanent school fund. The investment income earned by the fund shall equal the amount of interest on debt securities and dividends on equity securities. If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from interest and dividend income in equal installments over a period equal to (a) the average period prior to maturity remaining on the debt securities which were sold if the sale of debt*

*securities resulted in the loss, or (b) over a period of five years if the sale of equity securities resulted in the loss unless there is a net gain in the sale of securities sufficient to eliminate the amount of the loss prior to the end of the period. In any fiscal year in which gains on the sale of securities exceed the losses on the sales of securities, the excess shall be added to the principal of the fund.*

*Subd. 6. [DISPOSITION OF INCOME.] Notwithstanding provisions of section 10, the income of the permanent school fund as calculated pursuant to subdivision 5, shall be credited to the permanent school fund, and transferred to the school endowment fund as needed for payments made pursuant to Minnesota Statutes, Section 124.08.*

*Sec. 15. [11A.17] [MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND.] Subdivision 1. [ESTABLISHMENT.] There is hereby established a supplemental retirement investment fund for the purpose of providing an investment vehicle for the assets of various public retirement plans and funds. This fund shall consist of three investment accounts: an income share account, a growth share account, and a fixed-return account. The supplemental retirement investment fund shall be a continuation of the supplemental retirement fund in existence on January 1, 1980.*

*Subd. 2. [ASSETS.] The assets of the supplemental retirement investment fund shall consist of the moneys certified and transmitted to the state board from the participating public retirement plans and funds and shall be used to purchase investment shares in the investment accounts specified by the plan or fund.*

*Subd. 3. [MANAGEMENT.] The supplemental retirement investment fund shall be managed by the state board.*

*Subd. 4. [INVESTMENT.] The assets of the supplemental retirement investment fund shall be invested by the state board subject to the provisions of section 22; provided, however, that the fixed-return account shall be invested entirely in debt obligations and the growth share account shall be invested as follows:*

*(a) Up to 100 percent of the book value may be invested in corporate stocks;*

*(b) Up to six percent of the book value may be invested in the stock of any one corporation;*

*(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22.*

*Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] Any public retirement plan or fund authorized or required by law to invest its assets in the supplemental retirement investment fund may from time to time as provided by law certify moneys to the state board for the purchase of investment shares in the investment accounts of the supplemental retirement investment account. The state board shall credit each*

*purchase of investment shares to the appropriate participating public retirement plan or fund and shall confirm each purchase in writing to the appropriate plan or fund. Each participating public retirement plan or fund shall maintain adequate records to account for moneys certified to the supplemental retirement investment fund.*

**Subd. 6. [PARTICIPATION IN FUND.]** *Each public retirement plan or fund which has certified moneys to the state board for investment in the supplemental retirement investment fund shall have a participation in each investment account of the fund in which it has moneys invested. The participation shall be determined by the ratio of the number of shares credited to the public retirement plan or fund to the total number of shares in that account.*

**Subd. 7. [PURCHASE OF SHARES.]** *The state board shall allocate shares in the investment account or accounts at least monthly following the receipt of the funds for purchase of shares from the public retirement plan or fund as specified in the certification. The purchase price for shares shall be determined using the procedure specified in subdivision 9.*

**Subd. 8. [REDEMPTION OF SHARES.]** *The state board shall redeem shares in the investment account or accounts on the first business day after the valuation date next following the receipt of the request for redemption of shares from the public retirement plan or fund. The redemption value for shares shall be determined using the procedure specified in subdivision 9. Moneys representing the value of the redeemed shares shall be transmitted to the public retirement plan or fund making the request.*

**Subd. 9. [VALUATION OF INVESTMENT SHARES.]** *The value of investment shares in the income share investment account or in the growth share investment account shall be determined by dividing the total market value of the securities constituting the respective account by the total number of shares then outstanding in the investment account. Whenever the value of investment shares of an investment account has exceeded \$10 per share for a period of six consecutive months, each investment share in the investment account may be split at the direction of the board on a two new shares for one prior share basis. The value of investment shares in the fixed-return investment account shall be \$5 per share; provided, however, if the fixed-return investment account shares are redeemed by a public retirement fund where the shares are not attributable to the individual account of any person prior to the expiration of the multi-year period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value. Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the state board. Notwithstanding the provisions of section 10, the investment income earned by the fixed-return investment account shall be used to purchase additional shares on behalf of each participating public retirement plan or fund.*

**Subd. 10. [CERTIFICATIONS FOR INVESTMENT AND**

**REQUESTS FOR REDEMPTION.]** *The state board may specify the required forms for certifications of moneys for investment and requests for redemption of investment shares and may require the filing of any other documents which it deems necessary.*

**Subd. 11. [PROSPECTUS.]** *Annually, on or before July 1, the state board shall prepare and shall issue a prospectus for the supplemental retirement investment fund with separate exhibits for each investment account. The exhibit for each account shall list for each security representing the current assets of the account the following items, whichever are applicable:*

- (1) The purchase price of the security;*
- (2) The current market value of the security;*
- (3) The current dividend or interest rate of the security;*
- (4) The rating of a debt security issued by a nationally recognized rating agency if it is other than a security issued or guaranteed by the United States government.*

*The prospectus shall set forth the statutory provisions governing the supplemental retirement investment account.*

*Sufficient copies of the prospectus shall be transmitted to each public retirement plan or fund participating in the supplemental retirement investment account to meet the plan or fund's distribution requirements. Ten copies of the prospectus shall be filed with the director of the legislative reference library.*

**Subd. 12. [RATE OF INTEREST FOR FIXED RETURN.]** *At the beginning of each fiscal year, the state board shall set an assumed interest rate for moneys invested in the account during that year, with the rate applicable to all sums invested during that 12 month period. At the end of the 12 months, the state board may determine the period over which the an assumed rate is to apply to funds so invested, depending on the average yield and maturity of the securities purchased. Any earnings accrued to the account above the rate earlier indicated may be used to purchase additional shares on behalf of each participating public retirement plan or fund at fiscal year end after necessary reserves are established.*

**Sec. 16. Minnesota Statutes 1978, Chapter 11, is amended by adding a section to read:**

**[11A.18] [MINNESOTA POST-RETIREMENT INVESTMENT FUND.]** *Subdivision 1. [ESTABLISHMENT.] There is hereby established a post-retirement investment fund for the purpose of providing an investment vehicle for the reserves for various retirement annuities and benefits payable by the participating retirement funds and plans. The post-retirement investment fund shall be a continuation of the Minnesota adjustable fixed benefit fund in existence on January 1, 1980.*

**Subd. 2. [ASSETS.]** *The assets of the post-retirement investment fund shall consist of the moneys representing the reserves*

*for various retirement annuities and benefits payable by participating retirement funds and plans which have been certified to and received by the state board from the participating public retirement funds and plans.*

*Subd. 3. [MANAGEMENT.] The post-retirement investment fund shall be managed by the state board.*

*Subd. 4. [INVESTMENT.] The assets of the post-retirement investment fund shall be invested by the state board subject to the provisions of section 22.*

*Subd. 5. [DEFERRED YIELD ADJUSTMENT ACCOUNT.] There is hereby established a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, unless the amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in the recognized value of assets other than corporate stocks and all other equity investments. In any fiscal year in which the gains on the sales of debt securities exceed the discounts realized on the sales of such securities, the excess shall be used to reduce the balance of the account.*

*Subd. 6. [PARTICIPATING PUBLIC RETIREMENT FUNDS OR PLANS.] Any public retirement fund or plan authorized by law to participate in the post-retirement investment fund shall no later than the commencement of a benefit payment from the post-retirement investment fund, certify and transfer to the state board moneys equal to the actuarially determined reserves required for those retirement annuities and benefits which are payable by the public retirement fund or plan and which are specified in law to be included in the participation in the fund. The state board shall confirm in writing each certification and transfer of moneys made by a participating public retirement fund or plan. Each participating public retirement fund or plan shall maintain adequate records to account for moneys transferred to the post-retirement investment fund.*

*Subd. 7. [PARTICIPATION IN FUND.] Each participating public retirement fund or plan which has transferred moneys to the state board for investment in the post-retirement investment fund shall have an undivided participation in the fund. The participation on any valuation date shall be determined by adding to the participation on the prior valuation date: (a) funds transferred in accordance with subdivision 6, (b) the amount of required investment income on its participation as defined in subdivision 9, clause (1)(c) and (c) the reserves for any benefit adjustment made as of the current valuation date with the result adjusted for any mortality gains or losses determined pursuant to subdivision 11.*

**Subd. 8. [WITHDRAWAL OF MONEYS.]** Upon certification by the applicable executive director that a portion of the certified moneys representing the required reserves for various retirement annuities or benefits payable from the participating public retirement fund or plan are required for the payment of a retirement annuity or benefit, the state board shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified as required and shall order the transfer of that amount to the appropriate executive director.

**Subd. 9. [CALCULATION OF POST-RETIREMENT ADJUSTMENT.]** Annually, following June 30, the state board shall determine whether a post-retirement adjustment shall be payable and shall determine the amount of any post-retirement adjustment which shall be payable.

(1) The state board shall determine whether a post-retirement adjustment shall be payable using the following procedure:

(a) The state board shall determine the amount of dividends, interest, accruals and realized equity capital gains or losses applicable to the most recent fiscal year ending June 30;

(b) The participating public pension funds or plans shall determine the amount of reserves required for every annuitant and benefit recipient as of the current June 30. Every annuitant or benefit recipient who has been receiving an annuity or benefit for at least one year as of the current June 30 shall be eligible to receive a post-retirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a post-retirement benefit adjustment and those annuitants and benefit recipients who are not eligible to receive a post-retirement adjustment. The amount of the required reserves shall be certified to the board as soon as is practical following the current June 30;

(c) The state board shall determine the amount of investment income required to equal five percent of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined pursuant to clause (1)(a), to determine the amount of excess investment income. If this amount is positive, then a post-retirement adjustment may be paid.

(2) The state board shall determine the amount of any post-retirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

(b) The participating public pension funds and plans shall certify to the state board the total required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive the post-retirement adjustment as determined by clause (1)(b);

(c) If the state board determines that the book value of the assets of the fund is less than an amount equal to 100 percent of the current June 30 required reserves, with the book value to be determined after the adjustments provided for in subdivision 11, then the board shall allocate 25 percent of the excess investment income as an asset of the fund. The remaining 75 percent will be termed available for distribution. The book value of assets on any given date shall be the cost of equity investments and the amortized cost of fixed income investments.

(d) The resulting total amount available for distribution shall be increased by two and one-half percent, and the result shall be stated as a percentage of the total required reserves pursuant to clause (2)(b), and shall be certified to each participating public pension fund or plan as the amount of the post-retirement adjustment.

**Subd. 10. [PAYMENT OF POST-RETIREMENT ADJUSTMENT.]** Upon receiving the certification of the amount of the post-retirement adjustment from the state board, each participating public pension fund or plan shall determine the amount of the post-retirement adjustment payable to each eligible annuitant and benefit recipient. The dollar amount of the post-retirement adjustment payable to each annuitant or benefit recipient shall be calculated by applying the certified post-retirement adjustment percentage to the amount of the monthly annuity or benefit payable to each eligible annuitant or benefit recipient. The post-retirement adjustment shall commence to be paid on January 1 following the calculations required pursuant to this section and shall thereafter be included in the monthly annuity or benefit paid to the recipient. Notwithstanding Minnesota Statutes, Section 356.18, any adjustment pursuant to this section shall be paid automatically unless the intended recipient files a written notice with the applicable participating public pension fund or plan requesting that the adjustment not be paid.

**Subd. 11. [ADJUSTMENT FOR MORTALITY GAINS AND LOSSES.]** As of June 30 annually, the actuary of each participating public pension fund or plan shall calculate the amount of required reserves representing any mortality gains and any mortality losses incurred by the fund or plan during the fiscal year. The actuary shall report separately the amount of the reserves for annuitants and benefit recipients who are eligible for a post-retirement benefit adjustment and the amount of reserves for annuitants and benefit recipients who are not eligible for a post-retirement benefit adjustment. If the net amount of required reserves represents a mortality gain, the participating public pension fund or plan shall certify that amount to the state board, which shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified. If the amount of required reserves represents a mortality loss, the participating public pension fund or plan shall transfer to the state board an amount equal to the amount of the net mortality loss. The amount of the transfers shall be determined before any post-retirement benefit adjustments have been made. All book values of the assets of the fund for the purposes of subdivision 9 shall be determined

only after all adjustments for mortality gains and losses for the fiscal year have been made.

**Subd. 12. [APPROPRIATION OF REQUIRED AMOUNTS.]** All moneys necessary to meet the requirements of the certification of withdrawals and all moneys necessary to pay post-retirement adjustments pursuant to this section are hereby and from time to time appropriated from the post-retirement investment fund to the state board.

**Sec. 17. [11A.19] [VARIABLE ANNUITY INVESTMENT FUND.] Subdivision 1. [ESTABLISHMENT.]** There is hereby established a variable annuity investment fund for the purpose of providing an investment vehicle for the assets of the variable annuity program of the teachers retirement association. The variable annuity investment fund shall be a continuation of the variable annuity fund in existence on January 1, 1980.

**Subd. 2. [ASSETS.]** The assets of the variable annuity investment fund shall consist of all cash and investments credited to the variable annuity program of the teachers retirement association.

**Subd. 3. [MANAGEMENT.]** The variable annuity investment fund shall be managed by the state board.

**Subd. 4. [INVESTMENT.]** The assets of the variable annuity investment fund shall be invested by the state board subject to the provisions of section 22 except that:

(a) Up to 100 percent of the book value may be invested in corporate stocks;

(b) Up to six percent of the book value may be invested in the stock of any one corporation;

(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22, subdivision 5.

**Subd. 5. [VALUATION OF FUND.]** The variable annuity investment fund shall be valued by the state board bimonthly, using the closing market prices of the last business days of August, October, December, February, April and June of each fiscal year. The ratio of the total market value of investments to the admitted value of investments at the end of the preceding fiscal year, plus the cost of investments acquired, less the net receipts from investments sold during the fiscal year, shall be determined for each valuation date. The admitted value of the investments of the variable annuity investment fund at the end of each fiscal year shall be the book value of all investments held at that date multiplied by the average of the ratios at the 12 bimonthly valuation dates for the fiscal year and the immediately preceding fiscal year. The book value of investments during any fiscal year shall be the admitted value at the end of the preceding fiscal year or the cost of the investments if acquired during the fiscal year.

**Subd. 6. [ACCOUNTING PROCEDURES.]** Notwithstanding

provisions of section 10, the following procedures shall be employed by the state board:

(1) *The earnings from the investments of the variable annuity investment fund shall consist of dividends, interest and all other income derived from the investments and shall be determined on an accrual basis as of each bimonthly valuation date. The income shall be attributed to those funds in the account at the beginning of the bimonthly period. Earnings from investments shall not include changes in the admitted values of the investments.*

(2) *Any realized gain or loss shall be recorded in a realized appreciation account, and shall consist of the amount received on sale less the cost of the security. Unrealized gains or losses for any fiscal year shall be determined as provided in subdivision 5.*

*Subd. 7. [TOTAL ANNUAL INCREMENT OR DECREMENT.] The total annual increment or decrement for any one year shall be the sum of (a) the six bimonthly computations of earnings as computed under subdivision 6, clause (1); (b) total realized gains or losses for the fiscal year as computed under subdivision 6, clause (2), after adjusting for the approximate unrealized gain or loss evidenced for such securities in the admitted value; and (c) total unrealized gains or losses for the fiscal year as computed under subdivision 6, clause (2).*

*Subd. 8. [RATE OF RETURN.] The total annual increment or decrement divided by the admitted value of the assets of the Minnesota variable annuity fund, as computed pursuant to subdivision 5, shall be defined as the rate of return for the fiscal year. The rate of return is to be used as the percentage of increase or decrease which shall be credited to the individual member's account balances at the end of the fiscal year.*

**Sec. 18. [11A.20] [INVESTMENT OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.]** *Subdivision 1. [CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] The state treasurer shall make a report to the commissioner of finance daily or at other times as the commissioner of finance shall determine of the funds in the state treasury together with any other information which the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has advised the treasurer is currently needed, the state treasurer shall certify to the state board the amount thereof.*

*Subd. 2. [INVESTMENT.] The certified amount of state treasury funds not currently needed shall be invested by the state board subject to the provisions of section 23.*

*Subd. 3. [CREDITING OF INVESTMENT INCOME.] Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of state treasury funds not currently needed shall be credited to the general fund.*

**Sec. 19. [11A.21] [INVESTMENT OF HIGHWAY FUNDS.]**

**Subdivision 1. [CERTIFICATION OF HIGHWAY FUNDS.]** *The commissioner of transportation shall certify to the state board those portions of the trunk highway fund established pursuant to Article XIV, Section 6 of the constitution of the state of Minnesota, the county state-aid highway fund established pursuant to Article XIV, Section 7 of the constitution of the state of Minnesota and the municipal state-aid street fund established pursuant to Article XIV, Section 8 of the constitution of the state of Minnesota which in the judgment of the commissioner are not required for immediate use.*

**Subd. 2. [INVESTMENT.]** *The certified amount of highway funds not currently needed shall be invested by the state board subject to the provisions of section 22.*

**Sec. 20. [11A.22] [STATE ZOOLOGICAL GARDEN OPERATING RECEIPTS INVESTMENT ACCOUNT.] Subdivision 1. [ESTABLISHMENT.]** *There is hereby established a zoological garden operating receipts investment account for the purpose of investing funds not required for immediate use.*

**Subd. 2. [CERTIFICATION OF RECEIPTS.]** *The state zoological garden board shall, from time to time, certify to the state board the amount of funds available for investment.*

**Subd. 3. [INVESTMENT.]** *Amounts certified to the state zoological garden operating receipts investment account shall be invested by the state board subject to the provisions of section 23.*

**Subd. 4. [CREDITING OF INVESTMENT INCOME.]** *Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of the account shall be credited to or borne by the state zoological garden general account.*

**Subd. 5. [WITHDRAWAL OF FUNDS.]** *Upon certification by the state zoological garden board that moneys in the state zoological garden operating receipts investment account are needed for current purposes, the state board shall sell sufficient securities to equal the amount of moneys certified as needed and shall order the transfer of the moneys to the state zoological garden general account.*

**Sec. 21. [11A.23] [INVESTMENT OF RETIREMENT FUNDS AND PLANS.] Subdivision 1. [CERTIFICATION OF ASSETS NOT NEEDED FOR IMMEDIATE USE.]** *Each executive director administering a retirement fund or plan enumerated in subdivision 4 shall, from time to time, certify to the state board for investment those portions of the assets of the retirement fund or plan which in the judgment of the executive director are not required for immediate use. Assets of the fund or plan required for participation in the Minnesota post-retirement adjustment fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be transferred to those funds as provided by sections 1 to 23.*

**Subd. 2. [INVESTMENT.]** *Retirement fund assets certified*

to the state board pursuant to subdivision 1 shall be invested by the state board subject to the provisions of section 22. Retirement fund assets transferred to the Minnesota post-retirement adjustment fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be invested by the state board as part of those funds.

**Subd. 3. [WITHDRAWAL OF ASSETS.]** When an executive director administering a retirement fund or plan enumerated in subdivision 4, certifies to the state board that invested assets of the fund or plan are required for immediate use, the state board shall sell securities to equal the amount of assets certified as required and shall order the transfer of the assets to the appropriate executive director.

**Subd. 4. [COVERED RETIREMENT FUNDS AND PLANS.]** The provisions of this section shall apply to the following retirement funds and plans:

(1) State university and state community college supplemental retirement plan established pursuant to Minnesota Statutes, Sections 136.80 to 136.87;

(2) State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;

(3) Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;

(4) Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;

(5) Unclassified employees retirement plan established pursuant to Minnesota Statutes, Chapter 352D;

(6) Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;

(7) Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;

(8) Teachers' retirement fund established pursuant to Minnesota Statutes, Chapter 354;

(9) Judges' retirement fund established pursuant to Minnesota Statutes, Chapter 490; and

(10) Any other funds required by law to be invested by the board.

**Sec. 22. [11A.24] [AUTHORIZED INVESTMENTS.]** Subdivision 1. **[SECURITIES GENERALLY.]** The state board shall have the authority to purchase, sell, lend or exchange the following securities for funds or accounts specifically made subject to this section including the writing of covered call options.

**Subd. 2. [GOVERNMENT OBLIGATIONS.]** The state board may invest funds in governmental bonds, notes, bills, mortgages and other fixed obligations, including guaranteed or insured issues of (a) the United States, its agencies or its instrumentalities,

*including financial contracts traded upon a contract market designated and regulated by a federal agency; (b) Canada and its provinces, provided the principal and interest is payable in United States dollars; (c) the states and their municipalities, political subdivisions, agencies or instrumentalities, where backed by the state's full faith and credit or if the issuer has not been in default in payments of principal or interest within the past ten years or in the case of revenue bonds the obligor has been completely self-supporting for the five prior years; (d) the International Bank for Reconstruction and development, the Inter-American Development Bank, the Asian development Bank, or any other United States Government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars and the issues are rated in the highest quality category by a nationally recognized rating agency.*

**Subd. 3. [CORPORATE OBLIGATIONS.]** *The state board may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:*

*(a) The principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof shall be payable in United States dollars;*

*(b) The consolidated net pretax earnings of corporations other than finance corporations shall have been on average for the preceding five years at least 1.5 times the annual interest charges on total funded debt applicable to that period;*

*(c) The consolidated net pretax earnings of banks and finance corporations shall have been on average for the preceding five years at least 1.2 times the annual interest charges on total funded debt applicable to that period;*

*(d) Obligations shall be rated among the top three quality categories by a nationally recognized rating agency or if unrated, then the corporation shall have other comparably secured issues similarly rated or the consolidated net pretax earnings of the corporation shall have been on average for the preceding five fiscal years at least twice the ratios required in clauses (b) and (c).*

**Subd. 4. [OTHER OBLIGATIONS.]** *The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, notes or bonds secured by mortgages, repurchase agreements and reverse repurchase agreements and savings accounts if they conform to the following provisions:*

*(a) Bankers acceptances of United States banks shall be limited to those eligible for purchase by the Federal Reserve System;*

*(b) Certificates of deposit shall be limited to those issued by*

*banks and savings institutions that meet the collateral requirements established in Minnesota Statutes, Section 9.031, unless sufficient volume is unavailable at competitive interest rates. In that event, noncollateralized certificates of deposit may be purchased from United States banks and savings institutions that are rated in the highest quality category by a nationally recognized rating agency;*

*(c) Commercial paper shall be limited to those issued by United States corporations or their Canadian subsidiaries, shall be of the highest quality and mature in 270 days or less;*

*(d) Notes or bonds secured by first mortgages or trust deeds on improved real estate located in the United States including mortgage participation certificates and pools, with a maximum loan to value ratio of 80 percent for fully amortizable residential properties but otherwise in accordance with Minnesota Statutes, Section 61A.28, Subdivision 3. Real estate is a legal investment if acquired through a default or foreclosure;*

*(e) Repurchase agreements and reverse repurchase agreements shall be limited to one of the securities described in subdivision 2a;*

*(f) Savings accounts shall be limited to those fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.*

*Subd. 5. [CORPORATE STOCKS.] The state board may invest funds in stocks or convertible issues of any corporation organized under the laws of the United States or the states thereof, the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange.*

*Sec. 23. [11A.25] [ADDITIONAL INVESTMENT PROVISIONS.] When investing assets of any funds or accounts specifically made subject to this section or not otherwise referred to in sections 1 to 23, all securities shall be debt obligations maturing within three years of the date of purchase and shall conform to the applicable provisions of section 22.*

*Sec. 24. By January 1, 1981, the executive director shall have submitted to the state board and the legislature a report analyzing ways in which increased portions of the funds under the investment control of the state board could be invested in ways directly beneficial to all Minnesotans without increasing the risk to the funds or lowering their total rates of return. The report shall identify any statutory amendments needed to permit this increased investment. In preparing this report the director shall consult with representatives of fund beneficiaries and other persons interested in the investment of public moneys.*

*Sec. 25. Minnesota Statutes, 1979 Supplement, Section 15A.081, is amended to read:*

*15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.] 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 July 1, 1980
	\$	\$
Administration, department of commissioner	44,000	47,000
Agriculture, department of commissioner	38,000	40,000
Commerce, department of commissioner of banks	34,000	36,500
commissioner of insurance	34,000	36,500
commissioner of securities	34,000	36,500
director of consumer services	28,000	30,000
Community college system chancellor	44,000	46,000
Corrections, department of commissioner	42,000	45,000
ombudsman	33,000	35,000
Crime control planning board, executive director	33,000	35,000
Economic development, department of commissioner	34,000	36,000
Economic security, department of commissioner	43,000	45,000
Education, department of commissioner	43,000	45,000
Energy agency director	38,000	40,000
Finance, department of commissioner	48,000	50,000
Health, department of commissioner	47,000	49,000
Hearing examiners office chief hearing examiner	38,000	40,000
Higher education coordinating board executive director	40,000	42,000
Housing finance agency executive director	39,000	41,000
Human rights, department of commissioner	31,000	33,000

	1979	1980
	\$	\$
Indian affairs board executive director	27,000	29,000
Investment, board of executive secretary	42,000	44,000
Iron range resources and rehabilitation board commissioner	30,000	31,000
Labor and industry, department of commissioner	38,000	40,000
judge of the workers' compensation court of appeals	38,000	40,000
Mediation services, bureau of director	36,000	38,000
Natural resources, department of commissioner	44,000	47,000
Personnel, department of commissioner	44,000	47,000
Planning agency director	43,000	45,000
Pollution control agency director	38,000	40,000
Public safety, department of commissioner	38,000	41,000
Public service, department of commissioner, public service commission	34,000	36,000
director	34,000	36,000
Public welfare, department of commissioner	44,000	48,000
Revenue, department of commissioner	44,000	47,000
State university system chancellor	44,000	46,000
Transportation, department of commissioner	44,000	48,000
Veterans affairs, department of commissioner	31,000	33,000

Sec. 26. Minnesota Statutes, 1979 Supplement, Section 43.064, is amended to read:

43.064 [OTHER SALARIES SET BY COMMISSIONER OF PERSONNEL.] Notwithstanding any other law to the contrary,

compensation for all unclassified positions in the executive branch not enumerated in the listing described in section 15A.081, shall be established by the commissioner except for the following: (1) positions listed in section 299D.03; (2) employees in the office of the governor whose salaries shall be determined by the governor; (3) employees in the office of the attorney general; (4) *employees of the state board of investment*; (5) positions in the state university system, the community college system, and in the higher education coordinating board whose primary duties consist of instructing and counseling students, directing academic programs of schools, divisions or departments of colleges and community colleges, or conducting research on academic subjects, or conducting academic support programs; and the positions of state university and community college presidents. Individual salaries for positions enumerated in clauses (3) and (4) and (5) and for classified hearing examiners in the office of hearing examiners shall be determined by the attorney general, *the state board of investment*, the state university board, the state board for community colleges, the higher education coordinating board, and the chief hearing examiner, respectively, within the limits of salary plans which shall have been approved by the commissioner before becoming effective.

No provision of any subsequent law relating to salaries of state employees shall be construed as inconsistent with this section unless it is expressly provided in such *the* subsequent act that the provisions of this section shall not be applicable or shall be superseded, amended, or repealed.

Sec. 27. Minnesota Statutes 1978, Section 69.77, Subdivision 2. as amended by Laws 1980, Chapter 341, Section 1, is amended to read:

Subd. 2. Subdivision 1 does not apply to an association enumerated in subdivision 1a under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1981, a contribution for retirement and survivorship benefits of not less than eight percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that *such the* contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firefighters, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1 of each year the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

The financial requirements shall be based on the most recent actuarial survey prepared in accordance with sections 356.215, subdivision 4 and 356.216.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum obligation of the governmental subdivision shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the officers of the association shall certify that amount to the county auditor, who shall spread a levy in the amount of ~~such~~ *the* obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments for funds of the Minnesota state retirement system pursuant to section 22, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation applicable to the Minnesota state retirement system specified in section 22, subdivision 5 would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section ~~11-21~~ 15, provided that there be no limit to the amount which may be invested in the income share account described in section 11-18, subdivision 2, or in the fixed-return account described in section 11-18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement investment fund may be invested in the growth share account described in section 11-18, subdivision 3.

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter. The association shall also procure a quadrennial experience study pursuant to section 356.216 as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 28. Minnesota Statutes 1978, Section 69.775, is amended to read:

69.775 [INVESTMENTS.] The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments for funds of the Minnesota state retirement system pursuant to section 22, except that up to five percent of the special fund assets, or a minimum of \$10,000, may be invested in the stock of any one corporation. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21 15, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

Sec. 29. Minnesota Statutes 1978, Section 124.46, Subdivision 4. is amended to read:

Subd. 4. Bonds shall be issued pursuant to this section only when authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for such that purpose. Any act authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for such the issue, and such the bonds shall not be subject to the restrictions or limitations contained in any other law. Bonds issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, swamp land fund, internal improvement land fund, or any other fund for which investments may be made by the state board of investment or may be sold elsewhere at public or private sale and shall be deemed "authorized securities" within the provisions of section 50.14 and acts amendatory thereof or supplemental thereto.

Sec. 30. Minnesota Statutes 1978, Section 167.42, is amended to read:

167.42 [PLEDGE OF FULL FAITH AND CREDIT.] The full faith and credit of the state of Minnesota is hereby irrevocably pledged to the payment of the principal of and the interest on the bonds authorized by sections 167.39 to 167.45. Such The bonds shall be issued and sold on competitive bids after reasonable notice, or direct to the state board of investment without bids and that board is hereby authorized to invest any funds under its control or discretion in any of these bonds, notwithstanding any limitations imposed by section 11.10 or any other provisions of law. Such The bonds shall be issued and sold by the state auditor under such rules and regulations and in such the form and denominations as he shall determine and shall be attested by the secre-

tary of state. ~~Such~~ *The* rules may provide for the maturity, registration, conversion and exchange of the bonds so issued; all bonds maturing more than three years after their date may be made redeemable at par at the expiration of ~~such~~ *the* three years and on each interest payment date thereafter upon ~~such~~ notice as ~~such~~ *the* rules, made prior to the issuance of the bonds, may provide. All expenses incident to the printing and the sale of the bonds, including actual and necessary traveling expenses of state officers and employees for ~~such~~ *the* purpose, shall be paid from the trunk highway fund and the amounts therefor are hereby appropriated from ~~said~~ *that* fund. The provisions of sections 15.041 to 15.044 shall not apply to the rules and regulations promulgated pursuant hereto. The state auditor shall keep a record showing the number, date of issue and date of maturity of each ~~such~~ bond.

Sec. 31. Minnesota Statutes 1978, Section 167.50, Subdivision 2, is amended to read:

Subd. 2. ~~Said~~ *The* bonds shall be issued and sold upon sealed bids after two weeks' published notice, ~~or they may be sold directly to the state board of investment without bids.~~ They shall mature serially over a term not exceeding 20 years from their respective dates of issue, 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 ~~such~~ *the* bonds and appropriating the proceeds thereof, but not subject to the provisions of sections 15.0411 to 15.0422, ~~such~~ *the* bonds shall be issued and sold in ~~such~~ *the* number of series, at ~~such~~ times, in ~~such~~ *the* form and denominations, bearing interest at ~~such~~ *the* rate or rates, maturing on ~~such~~ dates, either without option of prior redemption or subject to prepayment upon ~~such~~ notice and at ~~such~~ *the* times and prices, payable at ~~such~~ *the* bank or banks, within or without the state, with ~~such~~ 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. 32. Minnesota Statutes 1978, Section 193.146, Subdivision 4, is amended to read:

Subd. 4. [SALE.] ~~Such~~ *The* bonds shall be sold by ~~such~~ *the* corporation under ~~such~~ notice and upon ~~such~~ *the* terms and at ~~such~~ times as the corporation shall deem best. ~~Such~~ *The* bonds shall not be deemed or construed to be debts of the state of Minnesota or of the county or municipality in which ~~such~~ *the* armory is situated, nor to impose any personal liability upon any member of ~~such~~ *the* corporation, but shall be payable solely out of the income to be received by ~~such~~ *the* corporation as specified

herein. Bonds legally issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, permanent university fund, swamp land fund, internal improvement land fund, or any other trust fund of the state of Minnesota, or for any other fund administered by such board, and, shall be deemed authorized securities within the provisions of section 50.14, and laws supplemental thereto, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. Such The bonds shall be deemed and treated as instrumentalities of a public governmental agency, and as such shall be exempt from taxation.

Sec. 33. Minnesota Statutes 1978, Section 352.75, Subdivision 3, is amended to read:

Subd. 3. [EXISTING RETIRED MEMBERS AND BENEFIT RECIPIENTS.] As of the effective date of Laws 1978, Chapter 538, the liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the metropolitan transit commission—transit operating division employees retirement fund shall be transferred to the Minnesota state retirement system, and shall no longer be the liability of the metropolitan transit commission—transit operating division employees retirement fund. The required reserves for retirement annuities, disability benefits and optional joint and survivor annuities in effect on the day prior to the effective date of Laws 1978, Chapter 538 and the required reserves for the increase in annuities and benefits provided pursuant to subdivision 6 shall be determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table and shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on the effective date of Laws 1978, Chapter 538 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount in effect on the effective date of Laws 1978, Chapter 538, including the increase granted pursuant to subdivision 6, shall be considered the “originally determined benefit” for purposes of any adjustments made pursuant to section 11.25. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1970, any annuitant or benefit recipient receiving an annuity or benefit from the Minnesota adjustable fixed benefit fund pursuant to this section shall be entitled to receive the adjustment if the annuitant or recipient began receiving the annuity or benefit from the metropolitan transit commission transit operating division employees retirement fund on or before June 30, 1977, but that adjustment shall not include in the base for calculation the amount of any increase granted pursuant to subdivision 6. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1970, the required reserves for the

increase determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on January 1, 1979 16. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefits shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 34. Minnesota Statutes 1978, Section 352B.26, Subdivision 3, is amended to read:

Subd. 3. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (1) As of June 30, 1969, the present value of all annuities, including joint and survivor annuities and qualified recipients of surviving spouse benefits, in force as of June 30, 1969, and as amended in accordance with Laws 1969, Chapter 977, shall be determined in accordance with the United States Life Tables, 1959-61, white males and white females, calculated with an interest assumption of three and one-half percent and assets representing the required reserves for these annuities shall be transferred to the Minnesota adjustable fixed benefit fund, during a period of one year in accordance with procedures specified in *Minnesota Statutes 1969*, Section 11.25. The provisions of this clause apply to all annuities which are payable under this chapter.

(2) Effective July 1, 1969, for those employees commencing to receive annuities and qualified recipients of surviving spouse benefits, or joint and survivor annuities, pursuant to this chapter, and acts amendatory thereof, the required reserves as determined in accordance with this section shall be transferred to the Minnesota adjustable fixed benefit fund as of the date benefits begin to accrue after June 30, 1969.

(3) Annuity payments shall be adjusted in accordance with the provisions of section 11.25, subdivisions 12 and 13.

(4) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the executive director of the Minnesota state retirement system requesting that the increase shall not be made.

Sec. 35. Minnesota Statutes, 1979 Supplement, Section 353.023, is amended to read:

353.023 [TRANSFER OF PENSION COVERAGE OF MINNEAPOLIS MUNICIPAL EMPLOYEES RETIREMENT FUND COORDINATED PROGRAM.] Notwithstanding any provisions of law to the contrary, as of July 1, 1979, all active members of the coordinated program of the Minneapolis municipal employees retirement fund established pursuant to Minnesota Statutes 1978, Sections 422A.30 to 422A.39, shall cease to be members of the program of that fund and shall cease to have any accrual of service credit, rights, or benefits under the benefit plan of that program. From and after July 1, 1979, all active members

of the coordinated program will have their retirement coverage transferred to the coordinated program of the public employees retirement association. The accrued liability for retirement coverage of these members to date shall be transferred to the coordinated program of the public employees retirement association and shall no longer be the liability of the Minneapolis municipal employees retirement fund. Within 30 days of July 1, 1979, the board of trustees of the Minneapolis municipal employees retirement fund shall transfer the entire assets attributable to the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association. The assets transferred shall be an amount equal in value to the amount of employee contributions made by coordinated program members since July 1, 1978, the amount of employer matching contributions made by an employing unit on behalf of a coordinated program member since July 1, 1978, an amount equal to the employer additional contribution for the members of the coordinated program, and an amount equal to the investment income earned by the fund on the invested assets of the program since July 1, 1978. The assets transferred to the public employees retirement fund shall only include securities which are proper investments pursuant to section 41.16 22. Within 30 days of July 1, 1979, the board of trustees and the actuary of the Minneapolis municipal employees retirement fund shall transfer to the public employees retirement association original copies of all records and documents which are in their possession relating to the coordinated program of the Minneapolis municipal employees retirement fund and any of its members and shall provide from time to time whatever additional relevant information which the board of trustees of the public employees retirement association may request. Upon the transfer of the assets, liabilities and records of the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association, the coordinated program of the Minneapolis municipal employees retirement fund shall terminate and shall cease to exist.

Sec. 36. Minnesota Statutes 1978, Section 353.661, Subdivision 3, is amended to read:

Subd. 3. [TRANSFER OF EXISTING RECIPIENTS OF PENSION AND OTHER RETIREMENT BENEFITS.] As of July 1, 1978, the accrued liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the university of Minnesota police department retirement plan and fund shall be transferred to the public employees police and fire fund and shall no longer be the liability of the university of Minnesota police department retirement plan and fund. The required reserves for retirement annuities in effect as of June 30, 1978, including future automatic survivor benefits for survivors of deceased former retirement annuitants attributable to those annuities, and the required reserves for benefits of survivor of deceased former retirement annuitants in effect as of June 30, 1978 shall be determined

using a five percent interest assumption and the applicable public employees police and fire fund mortality table and shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on July 1, 1978 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount on July 1, 1978 shall be considered the "originally determined benefit" for purposes of further adjustments pursuant to section 11.25. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, any annuitant or benefit recipient receiving an annuity or benefit from the Minnesota adjustable fixed benefit fund pursuant to this section shall be entitled to receive the adjustment if the annuitant or recipient began receiving the annuity or benefit from the university of Minnesota police department retirement plan and fund on or before June 30, 1977. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, the required reserves for the increase determined using a five percent interest assumption and the applicable public employees police and fire fund mortality table shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on January 1, 1979 16. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefit shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 37. Minnesota Statutes 1978, Section 422A.02, is amended to read:

422A.02 [RETIREMENT BOARD; MEMBERS.] A retirement board of seven members is hereby constituted which shall consist of the following:

- (1) Mayor;
- (2) The city comptroller or corresponding official comptroller-treasurer;
- (3) One member of the city council selected by the council; and
- (4) Four legally qualified voters of the city, residents thereof for the preceding five years, to be chosen by the employees as defined in sections 422A.01 to 422A.25 who are contributors to the retirement fund created by sections 422A.01 to 422A.25. The employees may form an association for that purpose and the employing authorities are authorized to make payroll deductions for the payment of dues to said the association. The persons selected shall serve for staggered terms of two years from the first of the next succeeding January after their election, and until their successors are duly elected. Such The selection shall be made by the employees during the first week of December of each year. Vacancies occurring by death, resignation, or removal of such representatives shall be filled by representatives chosen by the employees.

Sec. 38. Minnesota Statutes, 1979 Supplement, Section 422A.03, Subdivision 1, is amended to read:

422A.03 [MEETINGS; EMPLOYEES; RULES AND REGULATIONS.] Subdivision 1. The retirement board shall meet on the third Tuesday of each calendar month of each year and may adjourn from time to time. Special meetings may be held upon the call of the president. The board shall, by a four-sevenths vote of all members of the board, appoint an executive ~~secretary~~ *director*, who shall have charge of the performance of the duties required by the provisions of sections 422A.01 to 422A.25, and shall appoint other necessary ~~clerical help~~ *employees*. If at the time of his appointment as executive ~~secretary~~ *director* the appointee holds a position subject to the civil service rules and regulations of the city he shall be deemed to be on leave of absence from ~~such the~~ civil service position during his tenure as executive secretary, and upon termination of ~~such~~ service shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classified position, seniority shall prevail, and the person most recently certified to ~~such the~~ position shall be returned to the permanent civil service classification held by him prior to such certification.

Sec. 39. Minnesota Statutes, 1979 Supplement, Section 422A.03, Subdivision 2, is amended to read:

Subd. 2. The executive ~~secretary~~ *director* may be removed by a four-sevenths vote of all members of the board at a meeting called for ~~such that~~ purpose. Before exercising the power of removal, 15 days written notice shall be given to the executive ~~secretary~~ *director* setting forth the cause for removal and stating the time and place where ~~such the~~ charges will be heard. The hearing shall be open to the public. Other employees under the supervision of the board and employees appointed hereafter shall be subject to applicable civil service laws and rules of the city *unless the board determines that they should be unclassified*. The compensation of the executive ~~secretary~~ *director* and the other employees under the supervision of the board shall be fixed by ~~such the~~ board.

Sec. 40. Minnesota Statutes 1978, Section 422A.03, Subdivision 3, is amended to read:

Subd. 3. At the regular meeting in January each year, the board shall elect ~~one of from among~~ its members as a president, ~~one member as a vice president~~, and ~~one member as recording a secretary~~, who shall hold office for one year or until successors have been elected and qualified. *The city comptroller-treasurer shall serve as treasurer of the board.* The president shall preside at all meetings at which he is present. In the absence of the president the vice president shall preside and have all the powers of the president while acting as such. The recording secretary shall keep a record of all proceedings of the board, which shall be open to public inspection. At least one of the officers of the board shall be one of the representatives elected by the employees of the city to the board.

Sec. 41. Minnesota Statutes 1978, Section 422A.03, Subdivision 5, is amended to read:

Subd. 5. For the purpose of administration, except as otherwise herein provided, the executive secretary *director*, under the direction of the board, shall perform any and all acts and make such regulations as may be necessary and proper for the purpose of carrying out the provisions of sections 422A.01 to 422A.25.

Sec. 42. Minnesota Statutes 1978, Section 422A.05, Subdivision 1, is amended to read:

422A.05 [TRUSTEE OF FUNDS.] Subdivision 1. Except as otherwise provided by law the members of the retirement board shall be the trustees *and custodians* of the several funds created by sections 422A.01 to 422A.25 and shall have exclusive control and management of these funds, and power to invest the same, subject to all the terms, conditions, limitations, and restrictions imposed by law upon savings banks in the making and disposing of their investments, except convertible bonds which may be purchased as to rating but subject to the eligibility limits imposed below for common or preferred stock. Subject to like terms, conditions, limitations, and restrictions, these trustees shall have full power *them and* to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which any of the funds created by sections 422A.01 to 422A.25 shall have been invested as well as the proceeds of the investments, and of the money belonging to these funds.

Sec. 43. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

*Subd. 2a. [STANDARD OF CARE.] In the discharge of their respective duties, the members of the board, the executive director, the board staff and any other person charged with the responsibility of investing money pursuant to the standards set forth in chapter 422A shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.*

Sec. 44. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

*Subd. 2b. [CONFLICT OF INTEREST.] No member of the board may participate in the deliberations or the voting on any matter before the board which will or is likely to result in direct, measurable personal gain to the member.*

Sec. 45. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

*Subd. 2c. The board may invest funds in corporate stocks or corporate obligations of any corporation organized under the laws of the United States or of any state of the United States or the Dominion of Canada or any province thereof and other corporations traded on the New York or American Stock Exchanges if they conform to the following provisions:*

*(a) On corporate stocks:*

*(1) The market value of these investments shall not exceed 50 percent of the market value of the funds.*

*(2) Investments in any one corporation shall not exceed five percent of the market value of the funds or five percent of the total shares outstanding of any one corporation.*

*(3) Cash dividends on these investments shall have been earned and paid for the preceding five years.*

*(4) Investments which do not conform to the dividend standard contained in clause (3) may be held, but the total amount of these securities shall not exceed five percent of the total market value of the funds.*

*(b) On corporate obligations:*

*(1) The consolidated net pretax earnings of corporations other than finance corporations shall have been an average for the preceding five years at least 1.5 times the annual interest charge on total funded debt applicable to that period.*

*(2) The consolidated net pretax earnings of banks and finance corporations shall have been an average for the preceding five years at least 1.2 times the annual interest charges on total funded debt applicable to that period.*

*(3) Obligations shall be rated among the top three quality categories by a nationally recognized rating agency; or if unrated, the corporation shall have other comparably secured issues similarly rated; or the consolidated net pretax earnings of the corporation shall have been an average for the preceding five years at least twice the ratios required in clauses (a) and (b).*

Sec. 46. Minnesota Statutes 1978, Section 422A.05, Subdivision 3, is amended to read:

## Subd. 3. The board shall have authority:

~~(1) To make such loans and advances of credits and purchases of obligations, representing loans and advances of credit, as are insured by the federal housing administration, and to obtain such insurance;~~

~~(2) (1) To make such loans secured by mortgages on real property, which the federal housing administrator has insured or made a commitment to insure, and to obtain such insurance;~~

~~(3) (2) To enter into any and all agency agreements necessary to enable it to invest its funds in loans, advances of credit, and obligations insured by the federal housing administrator, or which he has made a commitment to insure and to enter into any agreement or arrangement with any other of the pension and retirement systems of the city for the joint handling of these securities;~~

~~(4) To provide for the prorating of part or all of the cost of making, handling or foreclosing of such mortgages against the earnings of such mortgages and to establish reserve accounts from~~

such earnings to liquidate losses or future losses on such mortgages;

(5) (3) To employ and dismiss agents, attorneys, appraisers, and others necessary for the proper handling or *and servicing of such mortgages investments* and to fix their compensation or fee on such *the* basis as it may see fit for such services rendered in connection with such mortgages *the investments*; and

(6) (4) To do any and all things necessary to carry out the provisions of sections 422A.01 to 422A.25 in the best interest of the funds.

Sec. 47. Minnesota Statutes 1978, Section 422A.05, Subdivision 5, is amended to read:

Subd. 5. All payments from the funds created by sections 422A.01 to 422A.25 shall be made *signed* by the treasurer of the city *only upon warrant signed by the, executive secretary director, or employee or other person appointed by the retirement board, and no warrant payment shall be drawn made* except by order of the board duly entered in the record of its proceedings, except that the board may create a revolving fund in *such an* amount as may be necessary to be used for the purpose of withdrawals from the fund of excess contributions; refunds to employees upon their separation from the service and for *such* other purposes as may be determined by the board. The revolving fund *herein provided* for shall be periodically reimbursed by *warrant drawn and signed* as set forth herein. It shall be kept in the same bank or trust company as the city treasurer keeps other retirement funds. It shall be subject to withdrawal upon check signed by the executive secretary *director, or employee or other person appointed by the board. The revolving fund shall be considered funds of the city insofar as it is necessary to bring them within any bond or security furnished by such bank or trust company to protect the city against loss.*

Sec. 48. Minnesota Statutes 1978, Section 422A.05, Subdivision 6, is amended to read:

Subd. 6. The board may, in carrying out the provisions of sections 422A.01 to 422A.25, establish special funds supplementing individual contributions by the employees and to receive, invest, and disburse for such *purpose all moneys in the form of donations, gifts, legacies, bequests, or otherwise which may be contributed by private individuals or corporations or organizations for the benefit of the city employees generally, or any special employee or class of employees of the city purposes as it deems necessary.*

Sec. 49. Minnesota Statutes 1978, Section 422A.06, Subdivision 1, is amended to read:

422A.06 [RETIREMENT FUND.] Subdivision 1. [CREATION; DIVISIONS OF FUND.] For the purposes of sections 422A.01 to 422A.25 there shall be a city *municipal Minneapolis* employees retirement fund, hereafter referred to as the retirement fund. The retirement fund shall be subdivided into (1) a deposit accumula-

tion fund, (2) a participating share in the Minnesota adjustable fixed-benefit fund, (3) a survivor benefit fund, and (4) a disability benefit fund, and (5) a retirement benefit fund. Expense of administration of the retirement fund shall be paid from the deposit accumulation fund, less such the amount as the retirement board may charge against income from investments as the cost of handling the investments of the retirement fund.

Sec. 50. Minnesota Statutes 1978, Section 422A.06, Subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund shall consist of the assets held in such fund, increased by amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, and by income from investments. There shall be paid from such the fund the amounts required to be transferred to the Minnesota adjustable fixed-benefit fund, *retirement benefit fund*, or the disability benefit fund, refunds of contributions, death benefits payable on death before retirement not payable from the survivors' benefit fund, retirement allowances granted pursuant to Laws 1965, Chapter 688, Laws 1969, Chapter 859, and expenses of administration.

Sec. 51. Minnesota Statutes 1978, Section 422A.06, Subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION IN THE MINNESOTA ADJUSTABLE FIXED-BENEFIT FUND.] The ~~municipal~~ *Minneapolis* employees retirement fund shall participate in the Minnesota adjustable fixed-benefit fund *unless they elect to withdraw pursuant to section 422A.06, subdivision 8*. In that fund there shall be deposited the amounts provided in subdivision 5.

Sec. 52. Minnesota Statutes 1978, Section 422A.06, Subdivision 5, is amended to read:

Subd. 5. [VALUATION OF ASSETS; ADJUSTMENTS OF BENEFITS.] (a) For those members retiring pursuant to sections 422A.01 to 422A.25, assets equal to the required reserves as determined in accordance with a mortality table appropriate to the fund with an interest assumption of five percent, shall be transferred to the Minnesota adjustable fixed-benefit fund ~~or~~, the disability benefit funds as provided in subdivision 7, *or the retirement benefit fund* except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with the provisions of sections 422A.09 and 422A.15, except that no minimum retirement payments therein described shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statute.

(c) Notwithstanding the provisions of section 356.18 increases

in annuity payments pursuant to this section will be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase shall not be made.

(d) All annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973 shall be increased in the same ratio that the actuarially computed reserve for such annuities determined by using an interest assumption of 3½ percent bears to the actuarially computed reserve for such annuities determined by using an interest assumption of five percent. The reserves upon which such increases shall be based shall be the actuarially determined reserves for all Minnesota adjustable fixed-benefit fund annuities which were in effect on December 31, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of 3½ percent and five percent. Such *The* ratio of increase computed to the last full 1/100 of one percent shall be applied to all annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973. Any additional annuity shall begin to accrue on July 1, 1973 and shall be considered as part of the base amount to be used in determining any increase which may become effective on January 1, 1974 under the provisions of section 11.25, subdivisions 12 and 13.

(e) All assets in the annuity stabilization reserve and suspense account shall be credited proportionately to the individual retirement funds' participation in the Minnesota adjustable fixed-benefit fund. Effective January 1, 1974 each participating fund in the Minnesota adjustable fixed-benefit fund, except the municipal employees retirement fund, shall increase the benefits in effect on June 30, 1973 by an amount that when added to the increase granted to such benefits effective July 1, 1973, equals 20 percent. The increase shall apply to accrual of benefits commencing January 1, 1974 and shall be in lieu of the adjustment provided by *Minnesota Statutes, 1973 Supplement*, Section 11.25, Subdivisions 12 and 13 scheduled to take effect January 1, 1974. The municipal employees retirement fund of Minneapolis shall determine the increase if any in accrual of benefits commencing January 1, 1974, determined on the basis of its entire participation in the manner provided in *Minnesota Statutes, 1973 Supplement*, Section 11.25, Subdivisions 12 and 13 as amended by *Laws 1973, Chapter 7*.

(f) The actuary for each participating fund shall calculate the reserve required to support the benefits in effect on June 30, 1973 as increase July 1, 1973 and herein. As of December 31, 1973, each participating fund shall transfer to or from the Minnesota adjustable fixed-benefit fund assets so that its participation equals the total of such required reserves and the reserve for benefits authorized on or after July 1, 1973. The increased benefits accruing as of January 1, 1974 shall be considered the "originally determined benefits" for the purpose of future adjustments.

Sec. 53. Minnesota Statutes 1978, Section 422A.06, is amended by adding a subdivision to read:

*Subd. 8. [WITHDRAWAL FROM MINNESOTA ADJUSTABLE FIXED BENEFIT FUND.] The Minneapolis retirement board and the state board of investment may jointly agree to cease participation by the Minneapolis employees retirement fund in the Minnesota adjustable fixed benefit fund and transfer the assets in the Minnesota adjustable fixed benefit fund belonging to the retired members of the Minneapolis employees retirement fund to the retirement board for deposit in the retirement benefit fund established and administered by the retirement board. The agreement between the retirement board and the pension board shall provide for the allocation of expenses of the transfer of assets and for the determination of the value of the assets transferred. The valuation shall be established as of June 30 in the year in which the transfer occurs. The assets of the retirement benefit fund shall be invested in the same manner as provided by law for Minnesota adjustable fixed benefit fund assets.*

Sec. 54. Minnesota Statutes, 1979 Supplement, Section 422A.08, Subdivision 2, is amended to read:

Subd. 2. Prior to August 31 of each year the retirement board shall prepare an itemized statement of its financial requirements from tax revenue for the succeeding fiscal year. A copy of the statement shall be submitted to the board of estimate and taxation and to the city council prior to September 15 of each year. This statement shall include:

(1) An estimate of the administrative expense of the board less:

(a) Such amount as the board may charge against the interest income account of the fund as cost of handling the investment securities of the fund.

(b) The cost of handling the retirement benefits of any city-owned public utility, improvement project, or other municipal activities supported in whole or in part by revenues other than taxes.

(c) The cost of handling the retirement benefits of any public corporation and its employees who have availed themselves of the provisions of sections 422A.01 to 422A.25.

(2) An estimated amount not to exceed  $7\frac{1}{4}$  percent of the salaries and wages of all employees covered by the retirement fund less any amounts contributed for current cost of future retirement benefits by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(3) The estimated amount to meet the requirements of section 422A.06, subdivision 3, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(4) The cost of all monthly survivor's benefits provided in section 422A.23 as an obligation of the city and any of its boards, departments, commission or public corporations as therein provided, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(5) Such other levies and financing as are required by law.

(6) The total of items 1, 2, and 3 above shall be increased or decreased as the case may be by any deficiency or excess of the amount of tax revenue actually collected within the preceding fiscal year under or over the amount actually determined to meet the financial requirements of the fund for such year. In no event shall the amount requested for levy exceed the total of entry age normal cost, less the amounts contributed by the employees, plus administrative expense, plus an amount necessary to amortize on a level annual dollar basis the principal amount of the actuarial deficit by the year 2017 using an interest rate of five percent, compounded annually, plus interest upon any deficiency from the previous year's levy at the rate of ~~four~~ six percent per annum. This limit does not apply to the requirements for survivors benefits provided in section 422A.23 nor to any levy which is administered by the retirement board pursuant to special act.

Sec. 55. Minnesota Statutes, 1979 Supplement, Section 422A.09, Subdivision 3, is amended to read:

Subd. 3. The exempt class shall consist of:

(1) Employees who are members of any other organization or association of the city on behalf of which a tax is levied by the city for the purpose of paying retirement allowances to disabled or superannuated employees.

(2) Persons filling elective position. Provided that any elective officer holding an elective city office, excepting judges of a municipal court, shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class except retirement on a service allowance, which shall be granted only upon completion of ten or more years of service and attaining at least age 60.

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time served as an elective officer or employee, or member of an executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county in which they served as an elected official, may retain or resume membership in the fund as an elective officer of the county.

The county shall collect and pay to the retirement fund the employee contribution. The employer cost of allowances and benefits credited to an elected officer as set forth above shall be paid from the county revenue fund by the proper county officials upon certification of such costs by the retirement board in the same manner as prescribed in section 422A.08 for the payment of costs by public corporations. A tax shall be levied by Hennepin county to defray the cost of such retirement allowances which may be in addition to all other taxes levied by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service under this section shall contribute to the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first became eligible for membership in the fund, in accordance with the method of contribution herein provided for, plus ~~four~~ six percent compound interest.

(3) Persons serving without pay.

(4) Persons employed on a temporary basis, as doorkeepers, ticket takers, and attendants at the municipal auditorium, park recreation facilities, or like activities, employed less than 1000 hours, or its equivalent, if employed on any other basis than an hourly basis, in any calendar year from January 1 to December 31, inclusive, provided that employees who are contributing members of the fund on July 1, 1959 shall not be affected by the exclusions contained in this section.

(5) A person who is exempted from the contributing class by Minnesota Statutes 1974, Section 422A.09, Subdivision 3, Clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation as herein defined, and including any person employed by the Minneapolis school district, each of whom is not a member of any other retirement system, who later becomes a contributing member of the fund may elect to qualify such time for credit by paying into the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first qualified as an exempt member of the contributing class, in accordance with the method of contribution herein provided, plus four percent compound interest.

(6) Any person who is employed by the city or any of its boards, departments, commissions or a public corporation, as herein outlined, and is excluded from participation in the fund by paragraph (4) shall be separated from the service upon reaching the age of 70 regardless of the provisions of the veterans preference act.

(7) Any person who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the city council of the city

of Minneapolis specifies that the person is to be considered as a provisional member of the retirement fund pursuant to section 356.451 or unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing to make the required employer contribution in addition to the required employee contribution.

Sec. 56. Minnesota Statutes 1978, Section 462.631, Subdivision 1, is amended to read:

462.631 [APPROVED MORTGAGES, BOND ISSUE; LIMITATIONS, PROVISIONS.] Subdivision 1. Any redevelopment company, subject to the approval of the state housing commission, may borrow funds and secure the repayment thereof by bond and mortgage or by an issue of bonds under a trust indenture. Each mortgage or issue of bonds of a redevelopment company shall relate only to a single specified project and to no other, and those bonds shall be secured by mortgage upon all of the real property of which ~~such~~ *the* project consists. First lien bonds of a redevelopment company, when secured by a mortgage not exceeding 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost, after that completion, as certified by the state housing commission, are hereby declared securities in which all public officers and bodies of the state and of its municipal subdivisions, *including the state board if the bonds meet the requirements of section 22, subdivision 2*, all insurance companies and associations, all savings banks and savings institutions, including savings, building and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in the state may properly and legally invest the funds within their control. The bonds so issued and secured and the mortgage or trust indenture relating thereto may create a first or senior lien and a second or junior lien upon the real property embraced in any project; provided, however, that the total mortgage liens shall not exceed 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost after that completion, as certified by the state housing commission; and provided further that, where there are first and second mortgage liens upon the property embraced in a project, only the first or senior lien thereon shall be deemed a security in which ~~such~~ *the* officers, bodies, corporations, associations, and fiduciaries may invest the funds within their control. ~~Such~~ *The* bonds and mortgages may contain ~~such~~ other clauses and provisions as shall be approved by the state housing commission, including the right to assignment of rents and entry into possession in case of default: but the operation of the housing project in the event of such entry

by mortgagee or receiver shall be subject to regulations promulgated by the state housing commission. Provisions for the amortization of the bonded indebtedness of companies formed under sections 462.415 to 462.711 shall be subject to the approval of the state housing commission. So long as funds made available by the federal government or any instrumentality thereof or any mortgage or mortgage bonds insured by the federal housing administrator or any other instrumentality of the federal government are used in financing, in whole or in part, any project under sections 462.415 to 462.711, the capital structure of a redevelopment company undertaking such project and the proportionate amount of the cost of the lands and improvements to be represented by mortgages or bonds shall be entirely in the discretion of the housing commission; and all restrictions as to the amounts to be represented by mortgages, mortgage bonds, income debenture, or stock shall be inapplicable to ~~such the~~ projects or to redevelopment companies undertaking ~~such the~~ projects, except that the bonds, mortgages, debentures, and stock covering any project shall not exceed the total actual final cost of ~~such the~~ project as defined in section 462.635, clause 2.

Interest rates on mortgage indebtedness shall not exceed five percent per annum.

Sec. 57. Minnesota Statutes 1978, Section 475.73, Subdivision 1, is amended to read:

475.73 [STATE BOARD.] Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the state board of ~~Investment~~ *if the obligations meet the requirements of section 22, subdivision 2*, upon the approval of the Attorney General as to form and execution of the application therefor, and under ~~such rules and regulations~~ as the board may specify, and the state board of ~~Investment~~ shall have authority to purchase the same to an amount not exceeding 15 percent of the assessed valuation of the taxable property of ~~such the~~ municipality, according to the last preceding assessment. ~~Such~~ *The* obligations shall not run for a shorter period than one year, nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the state board of ~~Investment~~ but not less than two percent per annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by virtue thereof, the commissioner of finance shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each ~~such~~ obligation.

Sec. 58. [INSTRUCTIONS TO THE REVISOR.] *Subdivision 1. In the next or subsequent edition of Minnesota Statutes, the revisor of statutes shall substitute the term "executive director" for the term "executive secretary" wherever that term appears in reference to the state board of investment, shall substitute the term "Minnesota supplemental retirement investment fund" for the term "Minnesota supplemental retirement fund" wherever that*

term appears, and shall substitute the term "Minnesota variable annuity investment fund" for the term "Minnesota variable annuity fund" wherever that term appears.

Subd. 2. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute wherever the amount "four percent interest" appears in reference to the Minneapolis employees retirement fund the amount "six percent interest".

Subd. 3. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute "director" or "executive director" for "secretary" or "executive secretary" in chapter 422A.

Subd. 4. In the next or subsequent edition of the Minnesota Statutes, the revisor of statutes shall substitute wherever the term "Minnesota adjustable fixed benefit fund" appears in reference to the state board of investment, the term "Minnesota post-retirement investment fund".

Sec. 59. [INSTRUCTION TO REVISOR.] In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall in each section referred to in column A, strike the reference referred to in column B and insert the reference set forth in column C:

column A	column B	column C
Minnesota Statutes 1978	Minnesota Statutes 1978	
Section 3A.11, Subdivisions 1 and 2	Section 11.25	Section 11A.16
Section 60B.25(16)	Chapter 11	Section 11A.22
Section 82.34, Subdivision 5	Section 11.16	Section 11A.22
Section 137.022	Section 11.25, Subdivision 2	Section 11A.22
Section 137.022	Section 11.015, Subdivision 7	Section 11A.14, Subdivision 5
Section 137.022	Section 11.16, Subdivision 17	Section 11A.10, Subdivision 2
Section 137.025	Section 11.10	Section 11A.23
Section 161.04, Subdivision 2	Chapter 11	Section 11A.19
Section 162.16	Chapter 11	Section 11A.19
Section 198.265	Section 11.17	Section 11A.19
Section 222.59	Section 11.10	Section 11A.23
Section 352.04, Subdivision 12	Section 11.25	Section 11A.16
Section 352.061	Section 11.25	Section 11A.16

<i>column A</i>	<i>column B</i>	<i>column C</i>
<i>Minnesota Statutes</i> 1978	<i>Minnesota Statutes</i> 1978	
<i>Section 352.061</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 352.119,</i> <i>Subdivision 2(2)</i>	<i>Section 11.25,</i> <i>Subdivisions</i> <i>12 and 13</i>	<i>Section 11A.16</i>
<i>Section 352.93,</i> <i>Subdivision 3</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 352.96,</i> <i>Subdivision 2(a)</i>	<i>Section 11.18</i>	<i>Section 11A.15</i>
<i>Section 352B.26,</i> <i>Subdivision 3(3)</i>	<i>Section 11.25,</i> <i>Subdivisions</i> <i>12 and 13</i>	<i>Section 11A.16</i>
<i>Section 352D.015,</i> <i>Subdivision 3</i>	<i>Sections 11.18 to</i> <i>11.24</i>	<i>Section 11A.15</i>
<i>Section 352D.03</i>	<i>Section 11.18</i>	<i>Section 11A.15</i>
<i>Section 353.06</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 353.271,</i> <i>Subdivision 2(2)</i>	<i>Section 11.25,</i> <i>Subdivisions</i> <i>12 and 13</i>	<i>Section 11A.16</i>
<i>Section 354.05,</i> <i>Subdivision 23</i>	<i>Section 11.26</i>	<i>Section 11A.17</i>
<i>Section 354.05,</i> <i>Subdivision 26</i>	<i>Section 11.25,</i> <i>Subdivision 12</i>	<i>Section 11A.16</i>
<i>Section 354.62,</i> <i>Subdivision 4(3)</i>	<i>Section 11.26,</i> <i>Subdivision 7</i>	<i>Section 11A.17,</i> <i>Subdivision 8</i>
<i>Section 354.63,</i> <i>Subdivision 2(2)</i>	<i>Section 11.25,</i> <i>Subdivisions</i> <i>12 and 13</i>	<i>Section 11A.16</i>
<i>Section 356.39</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 360.017,</i> <i>Subdivision 2</i>	<i>Section 11.01</i>	<i>Section 11A.23</i>
<i>Section 422A.18,</i> <i>Subdivision 2</i>	<i>Section 11.25,</i> <i>Subdivision 12</i>	<i>Section 11A.16</i>
<i>Section 422A.23,</i> <i>Subdivision 10</i>	<i>Section 11.25,</i> <i>Subdivision 12</i>	<i>Section 11A.16</i>
<i>Section 490.123,</i> <i>Subdivision 3</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 490.123,</i> <i>Subdivision 3</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 525.161</i>	<i>Section 11.08</i>	<i>Section 11A.04</i> (8)
<i>Section 525.841</i>	<i>Section 11.08</i>	<i>Sections 11A.04</i> (8) <i>and 11A.08,</i> <i>Subdivision 2</i>

<i>column A</i>	<i>column B</i>	<i>column C</i>
<i>Minnesota Statutes, 1979 Supplement</i>	<i>Minnesota Statutes 1978</i>	
<i>Section 299B.17, Subdivision 7</i>	<i>Section 11.10</i>	<i>Section 11A.23</i>

Sec. 60. [TEMPORARY PROVISION.] *Portfolio securities held by the state board of investment or the retirement board of the Minneapolis employees retirement fund which met statutory criteria at the time of purchase but which became nonconforming as a result of the passage of this act may be retained.*

Sec. 61. [REPEALER.] *Minnesota Statutes 1978, Sections 11.01; 11.015; 11.04; 11.05; 11.06; 11.08; 11.10; 11.11; 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12; 11.13; 11.14; 11.15; 11.16; 11.17; 11.18; 11.19; 11.20; 11.21; 11.22; 11.23; 11.24; 11.25; 11.26; 11.27; 11.28; 360.303; 422A.05, Subdivisions 2 and 4; 422A.07; 458.53; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145 are repealed.*

Sec. 62. [EFFECTIVE DATE.] *This article is effective the day following enactment.*

#### ARTICLE X: POLICE, FIRE, JUDGES

Section 1. Minnesota Statutes, 1979 Supplement, Section 424A.02, is amended by adding a subdivision to read:

*Subd. 9a. [POST RETIREMENT INCREASES.] Notwithstanding any provision of general or special law to the contrary, a relief association may, from time to time, with municipal approval pursuant to subdivision 10 and section 69.772, subdivision 6, or section 69.773, subdivision 6, whichever is applicable, provide a post retirement increase to retired members and other retirement benefit recipients of the relief association. The post retirement increase may only be granted pursuant to an amendment to the bylaws of the relief association and shall be applicable only to retired members and other retirement benefit recipients receiving a service pension or retirement benefit as of the effective date of the bylaw amendment. The authority to provide a post retirement increase to retired members and other retirement benefit recipients of a relief association contained in this subdivision shall supersede any prior special law authorization relating to the provision of post retirement increases.*

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 424A.04, is amended to read:

**424A.04 [VOLUNTEER RELIEF ASSOCIATION; BOARD OF TRUSTEES.]** *Every volunteer firefighters' relief association shall be managed by a board of trustees consisting of nine members. Six trustees shall be elected from the membership of the relief association and three trustees shall be drawn from the officials of the municipality which has a fire department to which the relief association is directly associated or the municipality which contracts or the municipalities which contract with*

the independent nonprofit firefighting corporation of which the relief association is a subsidiary. *The bylaws of a volunteer firefighters' association may provide that one of the six trustees required to be elected from the membership of the relief association may be a retired member of the relief association receiving a monthly pension elected by the membership of the fire department.* The ex officio trustees, if the relief association is directly associated with the fire department of a municipality, shall be the mayor, the clerk or clerk-treasurer, and the chief of the municipal fire department. The ex officio trustees, if the relief association is a subsidiary of an independent nonprofit firefighting corporation, shall be three elected officials of the contracting municipality designated by the governing body of the municipality if only one municipality contracts with the independent nonprofit firefighting corporation, two elected officials of the largest municipality in population and one elected official of the next largest municipality in population designated by the governing bodies of the applicable municipalities if two municipalities contract with the independent nonprofit firefighting corporation or one elected official of each of the three largest municipalities in population designated by the governing bodies of the applicable municipalities if three or more municipalities contract with the independent nonprofit firefighting corporation. An ex officio trustee shall have all of the rights and duties accorded to any other trustee except the right to be an officer of the board of trustees. A board shall have at least three officers, which shall be a president, a secretary and a treasurer. These officers shall be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws, and in no event shall any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board shall be specified in the bylaws of the relief association but shall not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership shall initially and shall thereafter continue to be staggered on as equal a basis as is practicable.

It shall be the duty of the board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and consistent with the expressed intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, the taxpayers who aid in its financing and the firefighters who are its beneficiaries.

**Sec. 3. [HIBBING; AUTHORIZATION FOR SEPARATE RELIEF ASSOCIATIONS FOR SALARIED AND VOLUNTEER FIREFIGHTERS.]** *Notwithstanding any provisions of any law to the contrary, the city of Hibbing may establish and maintain or continue to maintain two separate relief associations for firefighters employed by or serving with the Hibbing municipal fire department. One relief association shall provide retirement*

*benefit coverage for regular salaried firefighters employed by the Hibbing municipal fire department and the other relief association shall provide retirement benefit coverage for volunteer firefighters serving with the Hibbing municipal fire department. Any fire state aid amounts received by the city of Hibbing pursuant to Minnesota Statutes, Sections 69.011 to 69.051, shall be allocated proportionately between the two relief associations on the basis of the assessed property value, excluding mineral values, and the population pursuant to the most recent federal census, of the areas which are predominantly served by the members of each relief association, as determined by the governing body of the city of Hibbing.*

**Sec. 4. [RESTRICTION ON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION MEMBERSHIP FOR CERTAIN PERSONS.]** *No person who is employed by the city of Hibbing as a regular salaried firefighter, and who is a member of the Hibbing salaried firefighters relief association to which Minnesota Statutes, Section 69.77, applies, shall be entitled while so employed after the effective date of this section to be a member of or to accrue any service credit in the relief association which provides retirement benefit coverage for volunteer firefighters serving with the Hibbing municipal fire department and to which Minnesota Statutes, Sections 69.771 to 69.776, apply.*

**Sec. 5. [PROPORTIONATE SERVICE PENSION IN CERTAIN CASES.]** *Any person who is prohibited from further membership in or from accruing further service credit in the volunteer firefighters' relief association which is established or maintained by the city of Hibbing and to which Minnesota Statutes, Sections 69.771 to 69.776 apply and who has not as of the effective date of this act received credit for sufficient years of service with the Hibbing municipal fire department or membership with the Hibbing volunteer firefighters' relief association to be entitled to a service pension without the benefit of this section shall be entitled when otherwise qualified to receive a proportionate service pension based on the number of completed years of service rounded to the nearest full years of service.*

**Sec. 6. [EVELETH POLICE OFFICERS AND FIRE FIGHTERS.]** *Notwithstanding any general or specific law to the contrary, retirement benefits payable to retired police officers and firefighters by the Eveleth police and fire trust fund may be increased by \$50 per month. Survivor benefits payable to a surviving spouse or surviving dependent child may be increased by \$25 per month. Increases shall be retroactive to January 1, 1980.*

**Sec. 7.** *Any volunteer firefighters' relief association which had prior special legislative authorization to grant a post retirement increase and which approved a post retirement increase prior to the effective date of Laws 1979, Chapter 201, may grant the post retirement increase, pursuant to section 1 of this article, effective retroactively to January 1, 1980.*

**Sec. 8.** *Minnesota Statutes 1978, Section 490.123, Subdivision 1, is amended to read:*

490.123 [JUDGES' RETIREMENT FUND.] Subdivision 1. [CREATION; CONTRIBUTIONS.] There is hereby created a special fund known as the "judges' retirement fund". The fund shall be credited with all contributions, all interest and all other income authorized by law. From this fund there are appropriated the payments authorized by sections 490.121 to 490.132 in the amounts and at times provided herein, including the expenses of administering the fund. Except as provided in section 490.128, subdivision 2, each judge shall contribute to the fund from each salary payment a *sum equal to one-half of one percent of salary, plus a sum equal to the salary multiplied by the rate of employee tax under the Federal Insurance Contributions Act as defined in section 355.01, subdivision 9, but in aggregate not less than seven percent of salary.* The balance of all money necessary for administering sections 490.121 to 490.132 and the judges' retirement fund, including payment of retirement compensation and other benefits under sections 490.121 to 490.132, shall be contributed to the fund by the state. The amount required therefor is hereby annually appropriated from the general fund to the judges' retirement fund.

Sec. 9. Minnesota Statutes 1978, Section 490.124, Subdivision 1, is amended to read:

490.124 [MATURITY OF BENEFITS; RETIREMENT AND SURVIVORS' ANNUITIES.] Subdivision 1. [BASIC RETIREMENT ANNUITY.] Except as qualified hereinafter from and after mandatory retirement date, normal retirement date, early retirement date, or two years from the disability retirement date, as the case may be, a retirement annuity shall be payable to a retiring judge from the judges' retirement fund in an amount equal to: (1) two and one-half percent of the judge's final average compensation multiplied by the number of years and fractions of years of service rendered; *prior to July 1, 1980; plus (2) three percent of the judge's final compensation multiplied by the number of years and fractions of years of service rendered after June 30, 1980; provided that such annuity shall not exceed 60 65 percent of the judge's annual salary for the year immediately preceding his retirement.*

Sec. 10. [LOCAL POLICE AND SALARIED FIREFIGHTERS RELIEF ASSOCIATIONS; AUTOMATIC POST RETIREMENT ADJUSTMENTS FOR CERTAIN NEWLY EMPLOYED, ACTIVE AND RETIRED MEMBERS.] Subdivision 1. [ENTITLEMENT.] *Notwithstanding any provision of law, municipal charter, municipal ordinance or resolution, or relief association articles of incorporation or bylaws to the contrary, any person who meets one of the following requirements for entitlement shall be entitled to an annual automatic post retirement adjustment in the amount of the service pension calculated pursuant to subdivision 2. A person meets the requirements for entitlement if:*

(1) *the person is a member of a covered local police or salaried firefighters relief association enumerated in subdivision 3, commences receiving a service pension at an age no earlier than attaining the age of 55 years, and has met all applicable requirements*

for entitlement to a service pension specified in the applicable laws and relief association articles of incorporation or bylaws governing the local relief association;

(2) the person is a retired member of a covered local police or salaried firefighters relief association enumerated in subdivision 3, retired on a service pension after the effective date of this section and after attaining the age of at least 50 years but prior to attaining the age of 55 years and attains the age of 55 years subsequent to retirement; or

(3) the person was a retired member of a covered local police or salaried firefighters relief association or retirement trust fund enumerated in subdivision 3 on the effective date of this section, is receiving a service pension, and has attained the age of at least 55 years.

**Subd. 2. [DETERMINATION OF ANNUAL AUTOMATIC POST RETIREMENT ADJUSTMENT AMOUNT; ACCRUAL; LIMITATION.]** Any person who meets the requirements specified in subdivision 1, clauses (1) or (2) shall be entitled to receive the annual automatic post retirement adjustment on the January 1 next following the date upon which the requirements for entitlement are met but in no event prior to the date upon which the person attains the age of 55 years. Any person who meets the requirements specified in subdivision 1, clause (3) shall be entitled to receive the annual automatic post retirement adjustment on the January 1 next following the effective date of the approval of the benefit modification by the municipality as provided for in subdivision 3 or the date upon which the person attains the age of 55 years, whichever occurs later. The amount of the annual automatic post retirement adjustment shall be determined by the board of trustees of the local relief association on or before December 1 annually and the annual automatic post retirement adjustment shall accrue each year as of January 1 next following the determination date. The annual automatic post retirement adjustment shall be first payable with the service pension payment made for January. Each annual automatic post retirement adjustment in the amount of the service pension shall be equal to the dollar amount determined by applying the percentage by which the salary payable by the municipality to a top grade patrol officer or a top grade firefighter, whichever is applicable, has increased during the year subject to the limitation provided for in this subdivision to the amount of service pension payable to the person for the month immediately prior to the month in which the determination is made. The maximum percentage increase shall not exceed three and one-half percent in any year and any increase in the salary level of the applicable position used to govern the determination of annual automatic post retirement adjustments in excess of three and one-half percent in any year shall not carry over to or be used to calculate the rate of salary increase for any succeeding year in which the increase in the applicable position does not exceed three and one-half percent.

**Subd. 3. [COVERED LOCAL POLICE AND FIREFIGHTERS RELIEF ASSOCIATION.]** The provisions of this section shall

*apply to the active members and retired members of a local police or salaried firefighters relief association or to the retired members of a retirement trust fund contained in the following enumeration of covered relief associations if the governing body of the applicable municipality approves the modification in the benefit plan of the relief association specified in this section following consideration of an actuarial valuation which is, or actuarial estimate based on the most recent actuarial valuation which was, prepared in accordance with Minnesota Statutes, Sections 356.215 and 356.216, based on the benefit plan of the applicable local relief association or retirement trust fund including the modification provided for in this section, approves the modification in retirement coverage for newly hired personnel specified in section 11, if applicable, and files a resolution indicating approval with the secretary of state, the commissioner of insurance and the executive secretary of the legislative commission on pensions and retirement on or before the first day of the tenth month following the effective date of this act:*

- (1) Buhl police relief association;*
- (2) Crookston firefighters relief association;*
- (3) Crookston police relief association;*
- (4) Eveleth joint retired police and firefighters retirement trust fund;*
- (5) Moorhead firefighters relief association;*
- (6) Moorhead police relief association;*
- (7) Thief River Falls police retirement trust fund;*
- (8) Virginia firefighters relief association;*
- (9) West St. Paul police relief association.*

**Sec. 11. [MODIFICATION IN RETIREMENT COVERAGE FOR CERTAIN POLICE OFFICERS AND FIREFIGHTERS; AUTHORIZING MUNICIPAL IMPLEMENTATION.]** *Subdivision 1. [AUTHORIZATION OF MUNICIPAL ACTION.] Notwithstanding any provision of law, municipal charter, municipal ordinance or resolution, or relief association articles of incorporation or bylaws to the contrary, any municipality in which is located a covered local police or salaried firefighters' relief association enumerated in section 10, subdivision 3, is authorized to implement the provisions of this section. Implementation shall be effected by a municipal resolution approved by a majority of the governing body of the municipality following consultation with the board of trustees of the affected local relief association and the holding of a public meeting at which the views of the public are considered. Prior to becoming effective, a copy of the municipal resolution shall be filed with the secretary of state, the commissioner of finance, the commissioner of insurance and the executive secretary of the legislative commission on pensions and retirement. To be deemed an implementing municipal resolution within*

*the meaning of this section, the municipal resolution shall either refer to this section in the text or shall describe in summary form the modifications provided for in this section. Once granted, municipal approval shall be irrevocable.*

**Subd. 2. [MODIFICATION OF RETIREMENT COVERAGE FOR CERTAIN NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.]** *Any person first employed by a municipality which has adopted a municipal resolution pursuant to subdivision 1 after the effective date for the modification stated in the municipal resolution, which date shall not in any event be later than the first day of the month occurring six months after the date of passage of the municipal resolution, as a police officer or police trainee or as a firefighter or firefighter trainee, whichever position is covered in the municipal resolution, shall be a member of the public employees police and fire fund established by Minnesota Statutes, Sections 353.63 to 353.68, and shall not be a member of the applicable local police or firefighters' relief association established pursuant to any general or special law.*

**Subd. 3. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.]** *The minimum obligation of a municipality which has adopted a municipal resolution pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of Minnesota Statutes, Sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 2 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.*

*The contribution rate of members of the local relief association shall be governed by Minnesota Statutes, Section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 2 shall be governed by Minnesota Statutes, Section 353.65.*

*When every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five members selected by the recipient beneficiaries of the fund, subject to the approval of the governing body of the municipality. If there are fewer than five recipient beneficiaries, the trust fund*

shall be managed by the governing body of the municipality. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall perform whatever services are necessary to administer the trust fund. The balance of assets remaining in the trust fund shall not revert to the municipality until all obligations of the trust fund are paid.

The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with Minnesota Statutes, Sections 69.77, 356.215 and 356.216, until the unfunded accrued liability of the trust fund is fully amortized in accordance with this act. The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to Minnesota Statutes, Section 356.20, Subdivision 4, Clause (1) (a), if the difference between those two figures is a positive number.

In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the municipal resolution adopted pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund.

If the modification of retirement coverage implemented pursuant to municipal resolution adopted pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to Minnesota Statutes, Section 69.031, Subdivision 5, Clause (2) (c). If the modification of retirement coverage implemented pursuant to a municipal resolution adopted pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality shall be disbursed as the municipality at its option may elect. The municipality may elect: (1) to transmit the total fire state aid to the treasurer of the local

*relief association for immediate deposit in the special fund of the relief association; or (2) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to Minnesota Statutes, Section 353.65, Subdivision 3; or (3) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.*

Sec. 12. Laws 1979, Chapter 293, Section 10, Subdivision 1, is amended to read:

Sec. 10. [POST RETIREMENT ADJUSTMENT; LUMP SUM PAYMENTS.] Subdivision 1. [ENTITLEMENT.] Any person who, on or before July 1, 1979, has attained the age of 65 years and who is receiving a retirement annuity from , or any person who is receiving a disability benefit or a surviving spouse's annuity or benefit from a retirement fund specified in subdivision 4, clauses (1) to (5) which was computed under the laws in effect prior to June 1, 1973, if the person is receiving an annuity or benefit from the retirement fund specified in subdivision 4, clause (4), or prior to July 1, 1973, if the person is receiving an annuity or benefit from a retirement fund specified in subdivision 4, clause (1), (2), (3) or (5), and any person who, on or before July 1, 1979, has attained the age of 65 and who is receiving a "\$2 bill and annuity" annuity from the retirement fund specified in subdivision 4, clause (6), shall be entitled to receive a post retirement adjustment from the applicable retirement fund in the amount specified in subdivision 3.

Sec. 13. Laws 1979, Chapter 293, Section 10, is amended by adding a subdivision to read:

Subd. 6. [TRANSFER OF APPROPRIATION; TERMINAL AUDIT.] *From the amounts appropriated and apportioned pursuant to subdivision 5, there is transferred to the commissioner of finance for purposes of redistribution the specified amount from each fund indicated, as follows:*

<i>highway patrol retirement fund</i>	<i>\$ 11,971</i>
<i>state employees retirement fund</i>	<i>263,100</i>
<i>public employees retirement fund</i>	<i>238,155</i>
<i>public employees police and fire fund</i>	<i>45,471</i>

*From the total amount transferred to the commissioner of finance for redistribution, the commissioner shall transfer the specified amount to each fund indicated as follows:*

<i>Minneapolis municipal employees retirement fund</i>	<i>\$ 25,780</i>
<i>teachers retirement fund</i>	<i>173,711</i>

*The remaining balance of the appropriation transferred to the*

*commissioner of finance following redistribution shall cancel and shall be returned to the general fund.*

*Each covered retirement fund as specified in subdivision 4 shall, as soon as is practical following the payment of the December 1, 1980, post retirement adjustment, calculate the amount of any appropriation apportioned to it which is in excess of the amounts required to pay the December 1, 1970, and December 1, 1980, post retirement adjustments and the post retirement adjustments provided for in this act. In addition, the executive secretary of the state board of investment, for covered retirement funds specified in subdivision 4, clauses (1) to (5), and the executive secretary of the Minneapolis municipal employees retirement fund, for that fund, shall calculate the amount which represents for each applicable covered retirement fund the investment income which the fund received on its portion of the appropriation calculated on the basis of the actual annual rate of investment return received on the assets of the retirement fund. The calculations required by this paragraph shall be reported to and verified by the commissioner of finance and amounts equal to these reported excess appropriation and investment income amounts shall be returned to the general fund.*

*The commissioner of finance is not authorized to adjust or modify any appropriation made pursuant to Laws 1979, Chapter 293, Section 10 or any amounts transferred pursuant to this act except in accordance with this subdivision.*

**Sec. 14. [RETROACTIVE APPLICATION.]** *Any person who was not entitled to receive a lump sum post retirement adjustment on December 1, 1979, pursuant to Laws 1979, Chapter 293, Section 10, solely by virtue of not having attained the age of 65 years on or before July 1, 1979 shall be entitled to receive the lump sum post retirement adjustment which that person would have received on December 1, 1979. The adjustment shall be payable on the first day of the second month following the effective date of this section and may be included with the annuity or benefit payable on that date.*

**Sec. 15. [REPEALER.]** *Laws 1979, Chapter 293, Section 10, Subdivision 2, is repealed effective retroactively to July 1, 1979.*

**Sec. 16. [EFFECTIVE DATE.]** *Sections 1, 3, 4, 10, 11 and 14 shall be effective the day following final enactment. Sections 2, 5 and 15 are effective upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3. Sections 8 and 9 are effective July 1, 1980. Section 12 is effective retroactively to November 30, 1979."*

Amend the title as follows:

Page 1, line 2, delete "property; eliminating the"

Page 1, delete lines 3 to 5 and insert:

"providing and modifying certain income tax credits and deductions and modifications of gross income; increasing the state share

of the cost of certain local and county programs; reducing certain property tax assessment ratios; providing for valuation of agricultural land for school district and other levy purposes; altering special levy and levy limit provisions; redefining certain property tax exemption provisions; providing a one-time refund of certain property tax increases; increasing metropolitan transit levy authorizations and authorizing added bonding; adjusting property tax refunds upon reclassification; allowing payment of decedent's property tax refund claims; increasing the state tax on gasoline; authorizing state enforcement of gasoline price regulations; eliminating the minimum corporate income tax and the specific credit; providing for taxation of certain utility property on a situs basis; providing for taxation of certain concessions; designating year relating to property taxes; restricting use of proceeds of taconite production tax; clarifying application of taconite occupation tax; reducing rate of tax on certain wine; exempting certain purchases by veterans' organizations from sales tax; providing for taxation of ethyl alcohol; modifying public employee pension provisions and their funding mechanisms; amending Minnesota Statutes 1978, Sections 69.77, Subdivision 2, as amended; 69.775; 124.212, Subdivisions 2, 8a, and 10; 124.46, Subdivision 4; 167.42; 167.50, Subdivision 2; 193.146, Subdivision 4; 272.01, Subdivision 2; 273.135, Subdivision 2; 273.19, Subdivision 1; 273.36; 273.37, Subdivision 2; 275.11, Subdivision 2; 275.28, Subdivision 3; 275.52, Subdivision 2; 276.04; 276.09; 276.10; 276.11; 290.06, and by adding subdivisions: 290.067, Subdivision 2; 290.18, by adding a subdivision; 290A.04, by adding a subdivision; 290A.11, by adding a subdivision; 290A.18; 296.02, Subdivision 1; 296.14, by adding a subdivision; 298.223; 298.28, Subdivision 1; 352.75, Subdivision 3; 352B.26, Subdivision 3; 353.657, Subdivision 3; 353.661, Subdivision 3; 375.192, Subdivision 1; 422A.02; 422A.03, Subdivisions 3 and 5; 422A.05, Subdivisions 1, 3, 5, 6 and by adding subdivisions: 422A.06, Subdivisions 1, 3, 4, 5 and by adding a subdivision; 462.631, Subdivision 1; 475.73, Subdivision 1; 490.123, Subdivision 1; 490.124, Subdivision 1; and Chapters 11; 273; 298; and 477A, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 1; 43.064; 69.772, Subdivision 2a; 256.82; 256D.03, Subdivision 2; 256D.36, Subdivision 1; 272.02, Subdivision 1; 273.13, Subdivisions 6 and 7; 273.42; 275.125, Subdivision 9; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.01, Subdivision 20; 290.06, Subdivisions 3c, 3d, 3f and 14; 297A.25, Subdivision 1; 353.023; 422A.03, Subdivisions 1 and 2; 422A.08, Subdivision 2; 422A.09, Subdivision 3; 424A.02, by adding a subdivision; 424A.04; 473.596; 473.436, Subdivision 5; 473.446, Subdivision 1; and 477A.01, Subdivisions 1 and 4; and Laws 1979, Chapter 293, Section 10, Subdivision 1 and by adding a subdivision; and Chapter 303, Article II, Section 39; and repealing Minnesota Statutes 1978, Sections 11.01; 11.015; 11.04; 11.05; 11.06; 11.08; 11.10; 11.11; 11.115; 11.117, Subdivisions 1, 2, 3, 5 and 7; 11.12; 11.13; 11.14; 11.15; 11.16; 11.17; 11.18; 11.19; 11.20; 11.21; 11.22; 11.23; 11.24; 11.25; 11.26; 11.27; 11.28; 290.21, Subdivision 2; 360.303; 422A.05, Subdivisions 2 and 4; 422A.07; 458.53; Minnesota Statutes, 1979 Supplement; Sections 11.117, Subdivisions 4

and 6; 11.118; 11.145; and Laws 1979, Chapter 293, Section 10, Subdivision 2.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1683, 2025, 514, 620, 1629, 1978, 1986, 1884, 1053, 994, 2100 and 883 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 2314, 2185 and 2082 were read the second time.

H. F. No. 1779 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS

Mr. Sikorski moved that the name of Mr. Hughes be added as co-author to S. F. No. 714. The motion prevailed.

Mrs. Brataas moved that the name of Mr. Ulland, J. be added as co-author to S. F. No. 2389. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Calendar. The motion prevailed.

#### CALENDAR

S. F. No. 2136: A bill for an act relating to elections; changing certain procedures and the effect of absentee ballots.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 7, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Lessard	Peterson	Spear
Barrette	Hughes	Luther	Pillsbury	Staples
Benedict	Johnson	Menning	Purfeerst	Stern
Brataas	Keefe, J.	Moe	Renneke	Stokowski
Coleman	Keefe, S.	Nelson	Schaaf	Stumpf
Davies	Kirchner	Nichols	Schmitz	Tennessee
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ulland, J.
Engler	Knaak	Olhoff	Sieloff	Vega
Frederick	Knoll	Olson	Sikorski	Wegener
Gearty	Knutson	Penny	Sillers	Willet
Gunderson	Laufenburger	Perpich	Solon	

Those who voted in the negative were:

Ashbach	Dunn	Omann	Rued	Strand
Bernhagen	Merriam			

So the bill passed and its title was agreed to.

**S. F. No. 1997: A bill for an act relating to the city of Austin and Cook County; authorizing the establishment and financing of the capital cost of a solid waste disposal system and program in the city of Austin; providing for steam line construction agreements for Cook County and Independent School District No. 166.**

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Perpich	Solon
Bang	Gunderson	Lessard	Peterson	Spear
Barrette	Hanson	Luther	Pillsbury	Staples
Benedict	Hughes	Menning	Purfeerst	Stern
Bernhagen	Johnson	Moe	Renneke	Stokowski
Brataas	Keefe, J.	Nelson	Rued	Strand
Coleman	Keefe, S.	Nichols	Schaaf	Stumpf
Davies	Kirchner	Ogdahl	Schmitz	Tennessee
Dieterich	Kleinbaum	Olhoff	Setzepfandt	Ulland, J.
Dunn	Knaak	Olson	Sieloff	Vega
Engler	Knoll	Omann	Sikorski	Wegener
Frederick	Knutson	Penny	Sillers	Willet

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

**S. F. No. 2183: A bill for an act relating to gambling devices; clarifying certain definitions; amending Minnesota Statutes 1978, Section 349.26, Subdivisions 4, 5, and 15.**

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ulland, J.
Davies	Kirchner	Ogdahl	Setzepfandt	Vega
Dieterich	Kleinbaum	Olhoff	Sieloff	Wegener
Dunn	Knaak	Olson	Sikorski	Willet
Engler	Knoll	Omann	Sillers	
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

**S. F. No. 2231: A bill for an act relating to retirement; public safety employee retirement funds; corrections officers; coverage and mandatory retirement for the correctional employees retire-**

ment plan; Moorhead police chief; membership in the public employees police and fire fund; amending Minnesota Statutes 1978, Sections 352.90; 352.91, Subdivisions 1 and 2, and by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 43.051, Subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Hughes	Menning	Purfeerst	Strand
Benedict	Humphrey	Merriam	Renneke	Stumpf
Bernhagen	Johnson	Moe	Rued	Tennessee
Brataas	Keefe, J.	Nelson	Schaaf	Ulland, J.
Coleman	Keefe, S.	Nichols	Schmitz	Vega
Davies	Kirchner	Ogdahl	Setzepfandt	Wegener
Dieterich	Kleinbaum	Olhoff	Sieloff	Willet
Dunn	Knaak	Olson	Sikorski	
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Penny	Spear	
Gearty	Laufenburger	Perpich	Staples	

So the bill passed and its title was agreed to.

H. F. No. 2287: A bill for an act relating to the city of Edina; authorizing a temporary short term on-sale liquor license for a certain civic or charitable festival.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 8, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Lessard	Perpich	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Johnson	Merriam	Schaaf	Strand
Brataas	Keefe, J.	Moe	Schmitz	Stumpf
Coleman	Keefe, S.	Nelson	Setzepfandt	Tennessee
Davies	Kleinbaum	Nichols	Sieloff	Ulland, J.
Dieterich	Knaak	Ogdahl	Sikorski	Vega
Dunn	Knoll	Olson	Sillers	Wegener
Engler	Knutson	Omann	Solon	
Frederick	Laufenburger	Penny	Spear	

Those who voted in the negative were:

Bernhagen	Kirchner	Peterson	Rued	Willet
Gunderson	Olhoff	Renneke		

So the bill passed and its title was agreed to.

H. F. No. 2222: A bill for an act relating to insurance; autho-

rizing business trusts to exchange reciprocal or interinsurance contracts; amending Minnesota Statutes 1978, Section 71A.01, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ulland, J.
Davies	Kirchner	Ogdahl	Setzepfandt	Vega
Dieterich	Kleinbaum	Olhoft	Sieloff	Wegener
Dunn	Knaak	Olson	Sikorski	Willet
Engler	Knoll	Omann	Sillers	
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2195: A bill for an act relating to employment agencies; exempting certain medical doctor placement services from licensing provisions; amending Minnesota Statutes 1978, Section 184.21, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ulland, J.
Davies	Kirchner	Ogdahl	Setzepfandt	Vega
Dieterich	Kleinbaum	Olhoft	Sieloff	Wegener
Dunn	Knaak	Olson	Sikorski	Willet
Engler	Knoll	Omann	Sillers	
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1794: A bill for an act relating to state lands; authorizing the sale at public auction of lands and interests in lands located in Mower and Fillmore Counties.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	Menning	Purfeerst	Stokowski
Barrette	Hughes	Merriam	Renneke	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Tennessee
Brataas	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kirchner	Olhoff	Sieloff	Vega
Dieterich	Kleinbaum	Olson	Sikorski	Wegener
Dunn	Knaak	Omann	Sillers	Willet
Engler	Knoll	Penny	Solon	
Frederick	Laufenburger	Perpich	Spear	
Gearty	Lessard	Peterson	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1601: A bill for an act relating to natural gas pipeline safety; transferring powers and duties in the administration of pipeline safety laws from the fire marshal division of the department of public safety to the department of public service; transferring personnel and records; appropriating funds; amending Minnesota Statutes 1978, Sections 299F.56, Subdivisions 5, and 6, and by adding a subdivision; 299F.57; 299F.58; 299F.60, Subdivisions 1 and 2; 299F.61, Subdivision 1; 299F.62; 299F.63; and 299F.64.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoff	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2071: A bill for an act relating to financial institutions; providing that certain agreements taken by a bank and subject to a certain percentage limitation will not constitute a liability against it; providing for a different percentage limitation

in certain cases; amending Minnesota Statutes 1978, Section 48.24, Subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Menning	Purfeerst	Stokowski
Bang	Hanson	Merriam	Renneke	Strand
Barrette	Hughes	Moe	Rued	Stumpf
Benedict	Humphrey	Nelson	Schaaf	Tennessee
Bernhagen	Johnson	Nichols	Schmitz	Ueland, A.
Brataas	Keefe, J.	Ogdahl	Setzepfandt	Ulland, J.
Coleman	Kirchner	Olhoft	Sieloff	Vega
Davies	Kleinbaum	Olson	Sikorski	Wegener
Dieterich	Knaak	Omann	Sillers	Willet
Dunn	Knutson	Penny	Solon	
Engler	Laufenburger	Perpich	Spear	
Frederick	Lessard	Peterson	Staples	
Gearty	Luther	Pillsbury	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1803: A bill for an act relating to commerce; restricting the scope of the corporate take-over statute; amending Minnesota Statutes 1978, Sections 80B.02, Subdivision 5; 80B.03, Subdivisions 2 and 3; repealing Minnesota Statutes 1978, Sections 80B.02, Subdivision 8; and 80B.03, Subdivisions 4 and 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	Menning	Purfeerst	Stokowski
Barrette	Hughes	Merriam	Renneke	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Tennessee
Brataas	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kleinbaum	Olhoft	Sieloff	Vega
Dieterich	Knaak	Olson	Sikorski	Wegener
Dunn	Knoll	Omann	Sillers	Willet
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Spear	
Gearty	Lessard	Peterson	Staples	

So the bill passed and its title was agreed to.

H. F. No. 2135: A bill for an act relating to public welfare; providing that certain relatives of children receiving aid to families with dependent children are not responsible for contribu-

tions; amending Minnesota Statutes 1978, Section 256.87, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Purfeerst	Stokowski
Bang	Hanson	Menning	Renneke	Strand
Barrette	Hughes	Merriam	Rued	Stumpf
Benedict	Humphrey	Moe	Schaaf	Tennessee
Bernhagen	Johnson	Nelson	Schmitz	Ueland, A.
Brataas	Keefe, J.	Ogdahl	Setzepfandt	Ulland, J.
Coleman	Kirchner	Olhoff	Sieloff	Vega
Davies	Kleinbaum	Olson	Sikorski	Wegener
Dieterich	Knaak	Omann	Sillers	Willet
Dunn	Knoll	Penny	Solon	
Engler	Knutson	Perpich	Spear	
Frederick	Laufenburger	Peterson	Staples	
Gearty	Lessard	Pillsbury	Stern	

Mr. Nichols voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 336: A bill for an act relating to taxation; providing for state reimbursement of taxing districts for tax reduction granted to Title II and certain other property; appropriating money; amending Minnesota Statutes 1978, Section 276.04; and Chapter 273, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	Menning	Purfeerst	Stokowski
Barrette	Hughes	Merriam	Renneke	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Tennessee
Brataas	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kleinbaum	Olhoff	Sieloff	Vega
Dieterich	Knaak	Olson	Sikorski	Wegener
Dunn	Knoll	Omann	Sillers	Willet
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Spear	
Gearty	Lessard	Peterson	Staples	

So the bill passed and its title was agreed to.

H. F. No. 924: A bill for an act relating to commerce; regulating conduct of business under assumed business names; amending Minnesota Statutes 1978, Sections 301.09; 333.01; 333.04;

333.06; and Chapter 333, by adding sections; repealing Minnesota Statutes 1978, Sections 333.001; 333.035; and 333.055.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Penny	Solon
Bang	Gunderson	Lessard	Perpich	Spear
Barrette	Hanson	Luther	Peterson	Staples
Benedict	Hughes	Menning	Pillsbury	Stern
Bernhagen	Humphrey	Merriam	Purfeerst	Stokowski
Brataas	Johnson	Moe	Renneke	Stumpf
Coleman	Keefe, J.	Nelson	Rued	Tennessen
Davies	Kirchner	Nichols	Schaaf	Ueland, A.
Dieterich	Kleinbaum	Ogdahl	Schmitz	Ulland, J.
Dunn	Knaak	Olhoft	Setzepfandt	Vega
Engler	Knoll	Olson	Sikorski	Wegener
Frederick	Knutson	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 2074: A bill for an act relating to industrial development; permitting hearings by a committee of the governing body; amending Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	Menning	Purfeerst	Stokowski
Barrette	Hughes	Merriam	Renneke	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Tennessen
Brataas	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kleinbaum	Olhoft	Sieloff	Vega
Dieterich	Knaak	Olson	Sikorski	Wegener
Dunn	Knoll	Omann	Sillers	Willet
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Spear	
Gearty	Lessard	Peterson	Staples	

So the bill passed and its title was agreed to.

S. F. No. 2184: A bill for an act relating to Special School District No. 1; modifying the district's responsibility to develop a long range building plan and providing certain bonding authority; amending Laws 1963, Chapter 645, Section 3, Subdivision 5; and Laws 1959, Chapter 462, Section 3, Subdivision 7, as amended and renumbered.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Lessard	Pillsbury	Staples
Bang	Hughes	Luther	Purfeerst	Stern
Barrette	Humphrey	Menning	Renneke	Stokowski
Benedict	Johnson	Merriam	Rued	Strand
Bernhagen	Keefe, J.	Moe	Schaaf	Stumpf
Brataas	Keefe, S.	Nelson	Schmitz	Ueland, A.
Coleman	Kirchner	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Ogdahl	Sieloff	Vega
Dunn	Knaak	Olhoft	Sikorski	Wegener
Engler	Knoll	Olson	Sillers	Willet
Gearty	Knutson	Omann	Solon	
Gunderson	Laufenburger	Penny	Spear	

Those who voted in the negative were:

Davies	Frederick	Perpich	Peterson	Tennessee
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So the bill passed and its title was agreed to.

S. F. No. 2134: A bill for an act relating to natural resources; providing for analysis of hydroelectric generating capacity of publicly owned dams; clarifying provisions relating to the administration of and authorization for dam repair and reconstruction grants; authorizing the employment of a person to administer grants; appropriating money; amending Minnesota Statutes 1978, Section 105.482, Subdivisions 1 and 4; Minnesota Statutes, 1979 Supplement, Section 105.482, Subdivisions 3 and 5a; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 870: A bill for an act relating to electric utilities;

altering provisions for the required condemnation of lands contiguous to sites or routes of electric utilities; clarifying that certain required land condemnation need not be considered in environmental impact statements; amending Minnesota Statutes 1978, Sections 116C.63, Subdivision 4; and 116D.04, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Pillsbury	Stern
Bang	Hanson	Menning	Purfeerst	Stokowski
Barrette	Hughes	Merriam	Renneke	Stumpf
Benedict	Humphrey	Moe	Rued	Tennessee
Bernhagen	Johnson	Nelson	Schaaf	Ueland, A.
Brataas	Keefe, J.	Nichols	Schmitz	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Vega
Davies	Kirchner	Olhoff	Sieloff	Wegener
Dieterich	Kleinbaum	Olson	Sikorski	Willet
Dunn	Knaak	Omann	Sillers	
Engler	Knoll	Penny	Solon	
Frederick	Knutson	Perpich	Spear	
Gearty	Laufenburger	Peterson	Staples	

Messrs. Luther and Strand voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 2042: A bill for an act relating to the port authority of Winona; providing powers and conditions of debt; amending Laws 1967, Chapter 541, Section 1, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Menning	Purfeerst	Stokowski
Bang	Hanson	Merriam	Renneke	Strand
Barrette	Hughes	Moe	Rued	Stumpf
Benedict	Humphrey	Nelson	Schaaf	Tennessee
Bernhagen	Johnson	Nichols	Schmitz	Ueland, A.
Brataas	Keefe, S.	Ogdahl	Setzepfandt	Ulland, J.
Coleman	Kirchner	Olhoff	Sieloff	Vega
Davies	Kleinbaum	Olson	Sikorski	Wegener
Dieterich	Knaak	Omann	Sillers	Willet
Dunn	Knoll	Penny	Solon	
Engler	Knutson	Perpich	Spear	
Frederick	Laufenburger	Peterson	Staples	
Gearty	Luther	Pillsbury	Stern	

So the bill passed and its title was agreed to.

S. F. No. 2265: A bill for an act relating to municipalities;

authorizing joint municipal franchising for cable communications; permitting the establishment of a port authority by the city of Bloomington; amending Minnesota Statutes 1978, Section 238.08, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzpfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omman	Sillers	Willet
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2264: A bill for an act relating to delivery or filing of documents; providing for timely delivery or filing of certain documents with respect to weekends and holidays; amending Minnesota Statutes 1978, Chapter 645, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzpfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omman	Sillers	Willet
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1931: A bill for an act relating to children; providing for venue for child custody proceedings; amending Minnesota Statutes, 1979 Supplement, Section 518.156, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	Menning	Purfeerst	Stokowski
Barrette	Hughes	Merriam	Renneke	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Tennessee
Brataas	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kleinbaum	Olhoff	Sieloff	Vega
Dieterich	Knaak	Olson	Sikorski	Wegener
Dunn	Knoll	Omann	Sillers	Willet
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Spear	
Gearty	Lessard	Peterson	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1690: A bill for an act relating to state departments; providing for the creation of a state employee assistance program in the department of administration; amending Minnesota Statutes 1978, Section 16.02, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Hughes	Menning	Renneke	Strand
Benedict	Humphrey	Merriam	Rued	Stumpf
Bernhagen	Johnson	Moe	Schaaf	Tennessee
Brataas	Keefe, J.	Nelson	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Davies	Kirchner	Ogdahl	Sieloff	Vega
Dieterich	Kleinbaum	Olhoff	Sikorski	Wegener
Dunn	Knaak	Olson	Sillers	Willet
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Penny	Spear	
Gearty	Laufenburger	Perpich	Staples	

Mr. Purfeerst voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1832: A bill for an act relating to public utilities and telephone companies; regulating delinquency charges on customer or subscriber accounts.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoff	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1801: A bill for an act relating to the family; changing certain procedures and criteria for termination of parental rights; amending Minnesota Statutes 1978, Sections 260.221; 260.241, Subdivisions 1 and 2; and Chapter 260, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoff	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1865: A bill for an act relating to motor vehicles; clarifying penalty provisions for certain traffic violations; clarifying provisions which prohibit the operation of a motor vehicle while a driver's license is revoked or suspended; amending Minnesota Statutes 1978, Sections 169.141, Subdivision 2; 169.89, Subdivision 1; 171.20, Subdivision 2; and 171.24.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Garty	Knutson	Perpich	Solon
Bang	Gunderson	Laufenburger	Peterson	Spear
Barrette	Hanson	Luther	Pillsbury	Staples
Benedict	Hughes	Menning	Purfeerst	Stern
Bernhagen	Humphrey	Merriam	Renneke	Stokowski
Brataas	Johnson	Moe	Rued	Strand
Coleman	Keefe, J.	Nelson	Schaaf	Stumpf
Davies	Keefe, S.	Nichols	Schmitz	Tennessee
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ueland, A.
Dunn	Kleinbaum	Olhoff	Sieloff	Ulland, J.
Engler	Knaak	Omann	Sikorski	Vega
Frederick	Knoll	Penny	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1826: A bill for an act relating to probate; changing certain time limits for a personal representative to file an inventory and appraisal; amending Minnesota Statutes, 1979 Supplement, Section 524.3-706.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Staples
Bang	Hanson	Luther	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Coleman	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoff	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Knutson	Penny	Solon	
Garty	Laufenburger	Perpich	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1867: A bill for an act relating to occupations and professions; allowing legal education courses to substitute for real estate education courses under certain circumstances; amending Minnesota Statutes 1978, Section 82.22, Subdivision 13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 12, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Lessard	Pillsbury	Solon
Barrette	Hughes	Luther	Purfeerst	Spear
Benedict	Humphrey	Menning	Renneke	Staples
Brataas	Keefe, J.	Moe	Rued	Stern
Coleman	Keefe, S.	Nelson	Schaaf	Stokowski
Davies	Kleinbaum	Ogdahl	Schmitz	Stumpf
Dieterich	Knaak	Olhoft	Setzepfandt	Tennessee
Dunn	Knoll	Olson	Sieloff	Ueland, A.
Engler	Knutson	Penny	Sikorski	Ulland, J.
Gearty	Laufenburger	Perpich	Sillers	Vega

Those who voted in the negative were:

Ashbach	Gunderson	Nichols	Peterson	Wegener
Bernhagen	Johnson	Omann	Strand	Willet
Frederick	Merriam			

So the bill passed and its title was agreed to.

S. F. No. 2193: A bill for an act relating to commerce; establishing certain time price differentials on retail installment sales of mobile homes; amending Minnesota Statutes 1978, Section 168.72.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 6, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Purfeerst	Stern
Bang	Hanson	Luther	Renneke	Stokowski
Barrette	Hughes	Moe	Rued	Strand
Benedict	Humphrey	Nelson	Schaaf	Stumpf
Bernhagen	Keefe, J.	Nichols	Schmitz	Tennessee
Brataas	Keefe, S.	Ogdahl	Setzepfandt	Ueland, A.
Coleman	Kirchner	Olhoft	Sieloff	Ulland, J.
Davies	Kleinbaum	Olson	Sikorski	Vega
Dunn	Knaak	Omann	Sillers	Wegener
Engler	Knoll	Penny	Solon	
Frederick	Knutson	Peterson	Spear	
Gearty	Laufenburger	Pillsbury	Staples	

Those who voted in the negative were:

Dieterich	Menning	Merriam	Perpich	Willet
Johnson				

So the bill passed and its title was agreed to.

H. F. No. 1814: A bill for an act relating to agriculture; clarifying certain requirements for authorized farm corporations; amending Minnesota Statutes 1978, Section 500.24, Subdivision 2.

Mr. Davies moved that H. F. No. 1814, No. 34 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S. F. No. 630: A bill for an act relating to commerce; providing

for the licensing and regulation of mobile home dealers; imposing certain duties and prohibiting certain practices; providing penalties; amending Minnesota Statutes 1978, Sections 327.43, Subdivision 1; 327.51, Subdivision 1, and by adding subdivisions; 327.55, Subdivisions 1 and 4; and Chapter 327, by adding sections; and Minnesota Statutes, 1979 Supplement, Section 327.43, Subdivision 2.

With the unanimous consent of the Senate, Mr. Schaaf moved to amend S. F. No. 630 as follows:

Page 5, line 13, delete "325.72 or 327.79" and insert "325.772 or 325.79"

Page 6, line 33, after "home" insert ", other than a new mobile home,"

The motion prevailed. So the amendment was adopted.

S. F. No. 630 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Luther	Renneke	Stokowski
Barrette	Hughes	McCutcheon	Rued	Stumpf
Benedict	Humphrey	Menning	Schaaf	Tennessen
Bernhagen	Johnson	Merriam	Schmitz	Ueland, A.
Brataas	Keefe, J.	Moe	Setzepfandt	Ulland, J.
Davies	Keefe, S.	Nelson	Sieloff	Vega
Dieterich	Kirchner	Olson	Sikorski	Wegener
Dunn	Kleinbaum	Omann	Sillers	Willet
Engler	Knaak	Penny	Solon	
Frederick	Knutson	Perpich	Spear	
Gearty	Laufenburger	Pillsbury	Staples	
Gunderson	Lessard	Purfeerst	Stern	

Messrs. Nichols, Olhoft, Peterson and Strand voted in the negative.

So the bill, as amended, passed and its title was agreed to.

S. F. No. 2117: A bill for an act relating to commerce; providing for investments in certain loans by savings banks and savings associations; defining terms; exempting savings associations from licensing and bonding requirements of safe deposit companies; deleting the dollar limitation on examination fees; amending Minnesota Statutes 1978, Sections 50.14, Subdivision 5; 51A.02, Subdivisions 8 and 17, and by adding a subdivision; 51A.37, Subdivision 3; 55.06, Subdivision 1; and 55.095.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Perpich	Solon
Bang	Hanson	Luther	Peterson	Spear
Barrette	Hughes	McCutcheon	Pillsbury	Stern
Benedict	Humphrey	Menning	Purfeerst	Stokowski
Bernhagen	Johnson	Merriam	Renneke	Strand
Brataas	Keefe, J.	Moe	Rued	Stumpf
Davies	Keefe, S.	Nelson	Schaaf	Tennessee
Dieterich	Kirchner	Nichols	Schmitz	Ueland, A.
Dunn	Kleinbaum	Olhoft	Setzepfandt	Ulland, J.
Engler	Knaak	Olson	Sieloff	Vega
Frederick	Knutson	Omann	Sikorski	Wegener
Gearty	Laufenburger	Penny	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1853: A bill for an act relating to taxation; removing limitations on the admissibility of sales ratio studies; providing that property tax court judges shall be learned in the law; providing that certain documents be made available to the petitioner and providing for their admittance as evidence; providing that tax court judgments will not include penalties; amending Minnesota Statutes 1978, Sections 271.01, Subdivision 1; 272.70; 278.01, Subdivision 1; 278.05; and 278.08; Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Spear
Bang	Hanson	Luther	Pillsbury	Staples
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Davies	Keefe, S.	Nichols	Schmitz	Ueland, A.
Dieterich	Kirchner	Olhoft	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olson	Sieloff	Vega
Engler	Knaak	Omann	Sikorski	Wegener
Frederick	Knutson	Penny	Sillers	Willet
Gearty	Laufenburger	Perpich	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1749: A bill for an act relating to insurance; providing for the regulation of mass marketed life or health insurance; providing the commissioner with rule-making power on the subject of unfair methods and unfair or deceptive acts and practices; amending Minnesota Statutes 1978, Sections 72A.13; 72A.19; and 72A.41, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Spear
Bang	Hanson	Luther	Pillsbury	Staples
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Davies	Keefe, S.	Nichols	Schmitz	Ueland, A.
Dieterich	Kirchner	Olhoft	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olson	Sieloff	Vega
Engler	Knaak	Omann	Sikorski	Wegener
Frederick	Knutson	Penny	Sillers	Willet
Gearty	Laufenburger	Perpich	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1648: A bill for an act relating to taxation; real property; eliminating tax recapture upon certain sales of qualifying agricultural property; amending Minnesota Statutes 1978, Section 273.111, Subdivision 9, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Peterson	Spear
Bang	Hanson	Luther	Pillsbury	Staples
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schaaf	Tennessee
Davies	Keefe, S.	Nichols	Schmitz	Ueland, A.
Dieterich	Kirchner	Olhoft	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olson	Sieloff	Vega
Engler	Knaak	Omann	Sikorski	Wegener
Frederick	Knutson	Penny	Sillers	Willet
Gearty	Laufenburger	Perpich	Solon	

So the bill passed and its title was agreed to.

S. F. No. 2062: A bill for an act relating to financial institutions; providing for interest rates on certain installment loans and open end loan account arrangements; granting certain lending powers to savings associations and savings and loan associations; amending Minnesota Statutes 1978, Sections 48.153; 51A.21, by adding a subdivision; and 52.14.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 6, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lessard	Pillsbury	Staples
Bang	Hanson	Luther	Purfeerst	Stokowski
Barrette	Hughes	Menning	Renneke	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Keefe, J.	Nelson	Schaaaf	Tennessee
Brataas	Keefe, S.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Olhoft	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olson	Sieloff	Vega
Engler	Knaak	Omann	Sillers	Wegener
Frederick	Knutson	Penny	Solon	
Gearty	Laufenburger	Peterson	Spear	

Those who voted in the negative were:

Dieterich	Merriam	Perpich	Sikorski	Willet
Johnson				

So the bill passed and its title was agreed to.

S. F. No. 251: A bill for an act relating to cooperative associations; validating elections of directors by mail voting; authorizing mail voting for directors of cooperative associations; providing for voting by members' spouses; amending Minnesota Statutes 1978, Section 308.071; and Chapter 308, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stokowski
Bang	Hanson	Menning	Purfeerst	Strand
Barrette	Hughes	Merriam	Renneke	Stumpf
Benedict	Humphrey	Moe	Rued	Tennessee
Bernhagen	Johnson	Nelson	Schaaaf	Ueland, A.
Brataas	Keefe, J.	Nichols	Schmitz	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Vega
Davies	Kirchner	Olhoft	Sikorski	Wegener
Dieterich	Kleinbaum	Olson	Sillers	Willet
Dunn	Knaak	Omann	Solon	
Engler	Knutson	Penny	Spear	
Frederick	Laufenburger	Perpich	Staples	
Gearty	Lessard	Peterson	Stern	

Mr. Sieloff voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1255: A bill for an act relating to tax-forfeited land sales; increasing the interest rate on the unpaid balance of the purchase price; amending Minnesota Statutes 1978, Sections 282.01, Subdivision 4; 282.222, Subdivision 4; 282.261; and 282.35, Subdivisions 2 and 3; and Minnesota Statutes, 1979 Supplement, Section 282.15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	Menning	Purfeerst	Stokowski
Barrette	Hughes	Merriam	Renneke	Strand
Benedict	Humphrey	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Tennessee
Brataas	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kirchner	Olhoft	Sieloff	Vega
Dieterich	Kleinbaum	Olson	Sikoraki	Wegener
Dunn	Knaak	Omann	Sillers	Willet
Engler	Knutson	Penny	Solon	
Frederick	Laufenburger	Perpich	Spear	
Gearty	Lessard	Peterson	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1649: A bill for an act relating to agriculture; providing for testing to measure milk protein; providing for payments for milk protein and nonfat solids; amending Minnesota Statutes 1978, Section 32.25, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 14, as follows:

Those who voted in the affirmative were:

Bang	Gearty	Knoll	Peterson	Staples
Barrette	Gunderson	Lessard	Pillsbury	Stokowski
Benedict	Hanson	Luther	Purfeerst	Strand
Bernhagen	Hughes	Merriam	Renneke	Stumpf
Brataas	Humphrey	Nelson	Rued	Ueland, A.
Coleman	Johnson	Nichols	Schaaf	Vega
Davies	Keefe, J.	Ogdahl	Sieloff	Willet
Dieterich	Keefe, S.	Olhoft	Sikoraki	
Dunn	Kirchner	Penny	Solon	
Frederick	Knaak	Perpich	Spear	

Those who voted in the negative were:

Engler	Laufenburger	Olson	Setzepfandt	Ulland, J.
Kleinbaum	Menning	Omann	Sillers	Wegener
Knutson	Moe	Schmitz	Stern	

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Nelson moved that S. F. No. 1709 be taken from the table. The motion prevailed.

#### CONCURRENCE AND REPASSAGE

Mr. Nelson moved that the Senate concur in the amendments by

the House to S. F. No. 1709 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1709: A bill for an act relating to corrections; providing for licensing of correctional facilities; regulating inmate earnings; providing for the investment of money in the correctional industries revolving account; authorizing the commissioner of corrections to amend 11 MCAR, sections 2.402 to 2.403; clarifying provisions relating to work release and temporary parole; amending provision concerning good time; limiting the powers of the Minnesota corrections board; amending Minnesota Statutes 1978, Sections 241.021, Subdivision 1; 241.26, Subdivisions 1, 2 and 4; 243.05; 243.18; 243.24, Subdivision 1; 243.88, Subdivision 2; 244.01, Subdivisions 1 and 2; 244.04, Subdivision 2; 244.08; Chapter 244, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 241.27, Subdivision 2; and Laws 1978, Chapter 723, Article I, Section 19.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Menning	Purfeerst	Stern
Barrette	Hughes	Merriam	Renneke	Stokowski
Benedict	Humphrey	Moe	Rued	Strand
Bernhagen	Johnson	Nelson	Schaaf	Stumpf
Brataas	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kleinbaum	Olhoft	Sieloff	Vega
Dieterich	Knaak	Omann	Sikorski	Wegener
Engler	Knutson	Penny	Sillers	Willet
Frederick	Laufenburger	Perpich	Solon	
Gearty	Lessard	Peterson	Spear	
Gunderson	Luther	Pillsbury	Staples	

So the bill, as amended, was repassed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Consent Calendar. The motion prevailed.

#### CONSENT CALENDAR

H. F. No. 1349: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey the interests of the state in certain lands in Kandiyohi county for the purpose of correcting conveyancing errors.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	McCutcheon	Peterson	Staples
Bang	Hughes	Menning	Pillsbury	Stern
Barrette	Humphrey	Merriam	Purfeerst	Stokowski
Benedict	Johnson	Moe	Renneke	Strand
Bernhagen	Keefe, J.	Nelson	Rued	Stumpf
Davies	Kirchner	Nichols	Schaaf	Ueland, A.
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Knaak	Olhoff	Sieloff	Vega
Engler	Knutson	Olson	Sikorski	Wegener
Frederick	Laufenburger	Omann	Sillers	Willet
Gearty	Lessard	Penny	Solon	
Gunderson	Luther	Perpich	Spear	

So the bill passed and its title was agreed to.

H. F. No. 942: A bill for an act relating to pollution control; authorizing state use of up to two percent of federal construction grant funds to administer the federal water pollution control act; amending Minnesota Statutes 1978, Section 116.16, Subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	McCutcheon	Peterson	Spear
Bang	Hughes	Menning	Pillsbury	Staples
Barrette	Humphrey	Merriam	Purfeerst	Stern
Benedict	Johnson	Moe	Renneke	Stokowski
Bernhagen	Keefe, J.	Nelson	Rued	Strand
Davies	Kirchner	Nichols	Schaaf	Stumpf
Dieterich	Kleinbaum	Ogdahl	Schmitz	Ueland, A.
Dunn	Knaak	Olhoff	Setzepfandt	Ulland, J.
Engler	Knutson	Olson	Sieloff	Vega
Frederick	Laufenburger	Omann	Sikorski	Wegener
Gearty	Lessard	Penny	Sillers	Willet
Gunderson	Luther	Perpich	Solon	

So the bill passed and its title was agreed to.

H. F. No. 1985: A bill for an act relating to municipal electric power; permitting municipal power agencies to contract and do business with foreign entities; amending Minnesota Statutes 1978, Section 453.52, Subdivision 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Bernhagen	Dunn	Gunderson	Johnson
Bang	Coleman	Engler	Hanson	Keefe, J.
Barrette	Davies	Frederick	Hughes	Kirchner
Benedict	Dieterich	Gearty	Humphrey	Kleinbaum

Knaak	Nelson	Peterson	Sikorski	Stumpf
Knutson	Nichols	Pillsbury	Sillers	Ueland, A.
Laufenburger	Ogdahl	Purfeerst	Solon	Ulland, J.
Lessard	Olhoff	Renneke	Spear	Vega
Luther	Olson	Rued	Staples	Wegener
Menning	Omamm	Schaaf	Stern	Willet
Merriam	Penny	Setzpfandt	Stokowski	
Moe	Perpich	Sieloff	Strand	

So the bill passed and its title was agreed to.

#### RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

Without objection, the Senate reverted to the Order of Business of Messages from the House.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned:

S. F. Nos. 1633, 1847, 1979 and 2102.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 21, 1980

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 801 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 801: A bill for an act relating to non-alcoholic beverages; requiring laboratory examination of certain beverages; deleting registration exemption for identified beverages; amending Minnesota Statutes 1978, Section 34.05, Subdivision 1; repealing Minnesota Statutes 1978, Section 34.05, Subdivision 2.

Senate File No. 801 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 21, 1980

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1584 and repassed said bill in accordance with the report of the Committee, so adopted.

**S. F. No. 1584:** A bill for an act relating to transportation; providing for specific information signing for resorts and recreational camping areas along certain highways.

Senate File No. 1584 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 21, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted:

H. F. No. 1790.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1980

#### FIRST READINGS OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

**H. F. No. 1790:** A bill for an act relating to advertising devices; authorizing advertising devices within 500 feet of local parks under certain circumstances; amending Minnesota Statutes 1978, Section 173.08, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1844, now on General Orders.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

#### REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 2128, 2295, 2291, 1693, 1944, 1607, 2149, 1694, 2353, 1262, 2284, 1448, 1752, 1680, 1686, 2225, 1940, 1340 and H. F. Nos. 475, 1145, 1302, 1895 and 1781 makes the following report:

That the above Senate Files and House Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Vega introduced—

Senate Resolution No. 55: A Senate resolution extending con-

gratulations to the Inver Hills Community College Women's Basketball Team on winning the Women's State Community College Basketball Championship.

Referred to the Committee on Rules and Administration.

### RECESS

Mr. Coleman moved that the Senate do now recess until 3:45 o'clock p.m. The motion prevailed.

The hour of 3:45 o'clock p.m. having arrived, the President called the Senate to order.

### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 1781 a Special Order to be heard immediately.

H. F. No. 1781: A bill for an act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain powers and duties to school districts, the commissioner of education, the department of education and others; aid for education of pupils of limited English proficiency; requiring the establishment of local policies to minimize chemical use problems; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 121.88, by adding a subdivision; 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 122.531, by adding subdivisions; 123.11, Subdivision 7; 123.36, by adding a subdivision; 123.39, Subdivision 3; 123.932, Subdivision 9, and by adding a subdivision; 124.20; 124.214, Subdivision 2; 124.572, Subdivision 7; 126.07; 126.36, Subdivision 3; 126.52, Subdivision 5, and by adding a subdivision; 126.54, Subdivisions 5 and 6; 127.09; 127.11; 127.21; 134.03; 134.08; 275.125, Subdivisions 5 and 5a; 354.05, Subdivision 2; Chapter 124, by adding a section; Chapter 125, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 120.075, Subdivision 4, and by adding a subdivision; 121.912, Subdivision 1; 122.541, Subdivision 5; 123.35, Subdivision 15; 124.01; 124.11, Subdivisions 2a and 2b, and by adding a subdivision; 124.19, Subdivision 4; 124.212, Subdivision 7d; 124.223; 124.225; 124.245, Subdivisions 1 and 2; 124.247, Subdivisions 3 and 4; 126.54, Subdivision 1; 124.561, Subdivision 3a; 124.562, Subdivisions 2, 3 and 4; 124.5621, Subdivision 11; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 6; 124.566; 124.572, Subdivision 2; 275.125, Subdivisions 2a, 2b, 7a, 7b, 11a and 20; 353.01, Subdivision 2b; 354A.011, Subdivision 27; 465.72; Laws 1979, Chapter 69, Sections 2 and 5; Chapter 334, Article VI, Section 35, Subdivision 9; Article VIII, Section 29; repealing Minnesota Statutes 1978, Sections 122.531, Subdivision 3; 125.61, as amended; 126.31 to 126.35; 126.36, Subdivisions 5 and 6; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8 and 9; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6 and

7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6 and 7; 127.22; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.41, Subdivision-1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 29.

Mr. Peterson moved to amend H. F. No. 1781, the unofficial engrossment, as follows:

Page 68, after line 8, insert:

*"Sec. 14. Subdivision 1. Notwithstanding Minnesota Statutes, Section 121.912, Independent School District No. 22, Detroit Lakes, may transfer \$56,000 from its post-secondary vocational general fund to its post-secondary vocational capital expenditure fund for the purpose of constructing a truck diesel mechanic shop and a cold storage facility.*

*Subd. 2. This section is effective upon its approval by the board of Independent School District No. 22 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3."*

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Willet moved to amend H. F. No. 1781, the unofficial engrossment, as follows:

Page 61, after line 24, insert:

"Sec. 14. Laws 1979, Chapter 334, Article V, Section 22, Subdivision 6, is amended to read:

Subd. 6. [POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.] For post-secondary vocational support services aid there is appropriated:

~~\$18,796,800~~ \$19,206,800 ..... 1981.

This appropriation is based on the assumption that the state will spend for post-secondary vocational support services aid an amount equal to ~~\$6,886,400~~ \$6,386,400 in fiscal year 1981 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Sec. 15. Laws 1979, Chapter 334, Article V, Section 32, Subdivision 7, is amended to read:

Subd. 7. [POST-SECONDARY VOCATIONAL CAPITAL EXPENDITURE AID.] For post-secondary vocational capital expenditure aid there is appropriated:

\$9,000,000 ..... 1980,

~~\$9,000,000~~ \$8,500,000 ..... 1981.

*This appropriation is based on the assumption that the state will spend for post-secondary vocational capital expenditures an amount equal to \$500,000 in fiscal year 1981 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 39, before "Laws" insert "and Article 5, Section 32, Subdivisions 6 and 7;"

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Frederick	Knutson	Peterson	Sillers
Bang	Gearty	Luther	Pillsbury	Spear
Barrette	Gunderson	McCutcheon	Purfeerst	Staples
Benedict	Hughes	Menning	Renneke	Stern
Bernhagen	Humphrey	Merriam	Rued	Stokowski
Brataas	Johnson	Nelson	Schaaf	Strand
Davies	Kirchner	Nichols	Schmitz	Stumpf
Dieterich	Kleinbaum	Ogdahl	Setzepfandt	Ueland, A.
Dunn	Knaak	Omann	Sieloff	Vega
Engler	Knoll	Penny	Sikorski	Willet

The Sergeant at Arms was instructed to bring in the absent members.

Mr. Hughes moved to amend H. F. No. 1781, the unofficial engrossment, as follows:

Page 79, after line 31, insert:

### "ARTICLE VIII

#### Research and Development

Section 1. [PURPOSE.] *The legislature of the state of Minnesota recognizes the long standing tradition and commitment of the people of this state to quality in education. This commitment has required a growing and unprecedented expenditure of public funds. As these expenditures continue to grow, it becomes necessary to insure that the expectations and priorities of the people of Minnesota for education continue to be met. One of the most effective means of maintaining and improving quality in public education, as in business, industry, science and medicine, is through research and development. Research and development in education makes it possible for those concerned to find answers to questions of educational importance, develop improved measures for education and create new responses to address future problems. Presently, however, only a small fraction of one percent of the total revenues spent on public education is allocated for research and development. The purpose of sections 10 and 11 of this article is to encourage research and development programs at the local school district level.*

Sec. 2. Subdivision 1. *For the 1980-1981 and 1981-1982 school years, the state board of education, with the approval of the governor after consultation with the legislative advisory com-*

*mission in the manner provided in section 3.30, shall make up to 15 grants to school districts to engage in educational research and development. Districts are encouraged, but are not limited, to conduct educational research and development in the following areas:*

*(1) Review of school district purposes and priorities for education;*

*(2) Programs encouraging the development of local citizen task forces on educational issues;*

*(3) Programs in preventive education and basic living skills;*

*(4) Developing programs which emphasize the purpose and results of education for the effective development of the child, including programs which focus on the importance of the home environment, the behavior of parents and family members in promoting the total development of the child, and programs which focus on the responsibility of parents as teachers and on membership in a family as a career; and*

*(5) Developing uses for computerized instruction, cable television and other innovations in media technology.*

*The research may include a review of existing national and international research and may involve the cooperation of the private sector.*

*Subd. 2. Districts which wish to participate in the funded research and development shall submit a research and development proposal to the department of education no later than June 1 preceding the school year for which the research and development is proposed. Two or more districts may submit a joint proposal for cooperative research and development. A proposal may request funding for one year or two years. Districts are encouraged to establish offices of research and development with the grant funds and to coordinate the state board's research and development grant with grants for research and development from other sources. The council on quality education shall provide technical assistance to the state board of education in evaluating proposals. Districts shall be notified of their participation in the funding no later than August 1 preceding the school year for which the research and development is proposed.*

*Subd. 3. The funds shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area. Districts are encouraged to propose research and development which is district wide or state-wide in its implementation.*

*Subd. 4. The department of education shall make a report to the legislature on the research and development conducted in accordance with this section before September 15, 1982.*

**Sec. 3. [APPROPRIATION; RESEARCH AND DEVELOPMENT PROGRAM.]** *The sum of \$750,000 is appropriated from the general fund to the department of education for the fiscal year*

*ending June 30, 1981 for the program authorized pursuant to sections 1 and 2 of this article. This appropriation is available until June 30, 1982.*

**Sec. 4. [EFFECTIVE DATE.]** *This article is effective the day following final enactment."*

The motion prevailed. So the amendment was adopted.

Mr. Barrette moved to amend H. F. No. 1781, the unofficial engrossment, as follows:

Page 68, after line 8, insert:

**"Sec. 14. Minnesota Statutes 1978, Section 127.27, Subdivision 2, is amended to read:**

Subd. 2. *"Dismissal" means the denial of the appropriate educational program to any pupil, including exclusion, expulsion, and suspension but excluding a removal from class as defined in section 15.*

**Sec. 15. Minnesota Statutes 1978, Section 127.27, is amended by adding a subdivision to read:**

*Subd. 11. "Removal from class" means any of the following:*

*(a) an action taken by a principal to prevent a pupil from attending no more than one day of classes;*

*(b) an action taken by a teacher to prevent a pupil in any of grades seven through twelve from attending no more than three consecutive class periods of a given course of study; or*

*(c) an action taken by a teacher to prevent a pupil in any of grades kindergarten through six from attending no more than one-half day of classes.*

**Sec. 16. Minnesota Statutes 1978, Section 127.28, is amended to read:**

**127.28 [POLICY.]** No public school shall deny due process or equal protection of the law to any public school pupil involved in a removal from class or in a dismissal proceeding which may result in suspension, exclusion, or expulsion.

**Sec. 17. Minnesota Statutes 1978, Section 127.38, is amended to read:**

**127.38 [POLICIES TO BE ESTABLISHED.]** The commissioner of education shall promulgate guidelines to assist each school board. Each school board shall, *pursuant to section 123.741, (a) establish uniform criteria for dismissal and (b) adopt policies and rules in writing to effectuate the purposes of sections 127.26 to 127.39.* The policies will emphasize the prevention of dismissal action through early detection of problems. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period and help prepare him for readmission.

**Sec. 18. Minnesota Statutes 1978, Chapter 127, is amended by adding a section to read:**

**[127.381] [REMOVAL FROM CLASS.] Subdivision 1.** *No teacher or principal may remove a pupil from class unless authorized to do so by the school board in a policy adopted pursuant to this section and section 123.741.*

**Subd. 2.** *Each school board shall, by January 1, 1981 pursuant to section 123.741, adopt a policy governing removals from class. The policy shall provide for at least the following:*

*(a) whether a teacher or principal may remove a pupil from class;*

*(b) the grounds for a removal from class;*

*(c) the procedures for a removal;*

*(d) the length of the removal for each ground for removal identified pursuant to clause (b).*

**Subd. 3.** *A pupil may be removed from class only in accordance with the policy and procedures of the board established pursuant to this section and section 123.741.*

**Sec. 19.** Minnesota Statutes, 1979 Supplement, Section 123.741, Subdivision 1, is amended to read:

**123.741 [EDUCATIONAL POLICY; ADVISORY COMMITTEES.] 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 policy shall also establish uniform criteria for pupil dismissals, as provided in section 127.38; policies and rules to effectuate the purposes of sections 127.26 to 127.39, as provided in section 127.38; and policies governing removal from class as provided in section 18.* The school board shall review this policy each 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. 20.** Minnesota Statutes 1978, Section 123.741, Subdivision 3, is amended to read:

**Subd. 3.** Each school board is encouraged to appoint a ~~curriculum~~ *an* advisory committee to provide for active community participation in the process of developing and revising the district educational policy, developing the instructional plan, evaluating progress and reporting to the public."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after "employees;" insert "providing for the removal of a pupil from class;"

Page 1, line 20, after "subdivision;" insert "123.741, Subdivision 3;"

Page 1, line 23, after "126.07;" insert "127.27, Subdivision 2, by adding a subdivision; 127.28; 127.38;"

Page 1, line 26, delete "and" and after the second "section;" insert "and 127, by adding a section;"

Page 1, line 28, after "Subdivision 5;" insert "123.741, Subdivision 1;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 33, as follows:

Those who voted in the affirmative were:

Bang	Kirchner	Omann	Renneke	Strand
Barrette	Knaak	Perpich	Rued	Ueland, A.
Engler	Ogdahl	Purfeerst	Sieloff	Ulland, J.
Keefe, J.				

Those who voted in the negative were:

Coleman	Keefe, S.	Merriam	Pillsbury	Stern
Dieterich	Kleinbaum	Nelson	Schmitz	Stokowski
Gearty	Knoll	Nichols	Setzepfandt	Stumpf
Gunderson	Laufenburger	Olhoff	Sikorski	Vega
Hughes	Luther	Olson	Sillers	Willet
Humphrey	McCutcheon	Penny	Spear	
Johnson	Menning	Peterson	Staples	

The motion did not prevail. So the amendment was not adopted.

H. F. No. 1781 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Humphrey	Menning	Pillsbury	Staples
Barrette	Johnson	Merriam	Purfeerst	Stern
Benedict	Keefe, J.	Nelson	Renneke	Stokowski
Brataas	Keefe, S.	Nichols	Rued	Strand
Coleman	Kirchner	Ogdahl	Schmitz	Stumpf
Dieterich	Kleinbaum	Olhoff	Setzepfandt	Ueland, A.
Dunn	Knaak	Olson	Sieloff	Ulland, J.
Engler	Knoll	Omann	Sikorski	Vega
Gearty	Laufenburger	Penny	Sillers	Willet
Gunderson	Luther	Perpich	Solon	
Hughes	McCutcheon	Peterson	Spear	

So the bill, as amended, passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Luther moved that S. F. No. 438 be withdrawn from the Committee on Elections and re-referred to the Committee on Judiciary. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Reports of Committees and Second Readings of Senate Bills.

### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Davies from the Committee on Judiciary, to which was referred

H. F. No. 1012: A bill for an act relating to housing; prohibiting unfair treatment in housing and real property on the basis of familial status; amending Minnesota Statutes 1978, Sections 363.01, Subdivision 24, and by adding subdivisions; 363.02, Subdivision 2; 363.03, Subdivision 2; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete "their"

Page 2, line 2, after "(a)" insert "their"

Page 2, line 3, delete the comma

Page 2, delete lines 4 and 5, and insert "with the written permission of the parent or parents or guardian."

Page 3, line 3, delete "no more than" and "on"

Page 3, delete line 4

Page 3, line 5, after "or" insert ", in a housing complex consisting of three or more buildings,"

Page 3, line 6, delete "a" and insert "the"

Page 3, line 6, delete everything after "complex" and insert a period

Page 3, delete line 7

Page 3, line 8, delete "same person;"

Page 3, line 8, delete "building" and insert "housing complex"

Page 3, line 9, delete everything after "a" and insert "group of buildings each containing five or more units on a contiguous parcel of land owned by the same person; a building shall not be exempt from section 363.03, subdivision 2, pursuant to this clause unless the owner has filed an election to designate the building as exempt with the commissioner; an election made by an owner pursuant to this clause may not be withdrawn for purposes of designating another building in the housing complex as exempt for a period of one year from the filing of the election;"

Page 3, line 20, before the period, insert "; or

(e) an unoccupied dwelling unit in any building which is the

subject of a valid certificate filed with the commissioner pursuant to the provisions of this clause. To be valid, a certificate must be on a form provided by the commissioner, be received by the commissioner, state that on the date that the certificate is received by the commissioner at least a majority of the dwelling units in the building are occupied by elderly persons or are unoccupied and available for occupancy solely by elderly persons, state that on the date that the certificate is received by the commissioner there is on file with the owner of the building or a specified duly authorized agent of the owner for each occupied unit relied upon in support of the certificate a signed statement by an elderly person occupying the unit on the date that the certificate is received by the commissioner that the person is an elderly person, state that for a period of 180 days following the receipt of the certificate by the commissioner the owner or duly authorized agent will preserve the signed statements of the elderly persons and will, upon request, make the statements available for inspection by the commissioner or by any local commission having jurisdiction over the building, be signed by the owner or the duly authorized agent, and be in all respects true and accurate. A valid certificate shall remain valid for a period of 180 days following the date on which it is received by the commissioner. Any owner or authorized agent who files a certificate containing statements or information that the owner or authorized agent knows or should reasonably know to be false shall be guilty of a misdemeanor; or

(f) any unoccupied dwelling unit of up to one-third of the units in a building; or

(g) any unit in an adults-only rental building which is converted to an adults-only condominium”

Page 11, lines 1 to 7, delete the new language

Page 12, after line 1, insert:

“Sec. 9. Minnesota Statutes 1978, Chapter 504, is amended by adding a section to read:

[504.265] [RESTRICTIONS ON EVICTION DUE TO FAMILIAL STATUS.] *Subdivision 1. As used in this section, (a) “tenant” shall have the meaning assigned to it in section 566.18, and (b) “familial status” shall have the meaning assigned to it in section 363.01, subdivision 31.*

*Subd. 2. No tenant of residential premises may be evicted, denied a continuing tenancy, or denied a renewal of a lease on the basis of familial status commenced during the tenancy unless one year has elapsed from the commencement of the familial status and the lessor has given the tenant six months prior notice in writing, except in case of nonpayment of rent, damage to the premises, disturbance of other tenants, or other breach of the lease.”*

Page 12, line 7, delete “one year” and insert “two years”

Page 12, line 8, delete “is less” and insert “occurs earlier”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for restrictions on eviction on the basis of familial status;"

Page 1, line 8, delete "and"

Page 1, line 8, after "1" insert "; and Chapter 504, by adding a section"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2039: A bill for an act relating to privacy; providing for classification of certain welfare data; amending Minnesota Statutes, 1979 Supplement, Section 15.1691, Subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 15.162, Subdivision 2a is amended to read:

Subd. 2a. "Confidential data on individuals" means data which is: (a) made not public by statute or federal law applicable to the data and is inaccessible to the individual subject of that data; or (b) collected by a civil or criminal investigative agency as part of an active investigation undertaken for the purpose of the commencement of a legal action, provided that the burden of proof as to whether such investigation is active or in anticipation of a legal action is upon the agency. Confidential data on individuals does not include arrest information that is reasonably contemporaneous with an arrest or incarceration. The provision of clause (b) shall terminate and cease to have force and effect with regard to the state agencies, political subdivisions, statewide systems, covered by the ruling, upon the granting or refusal to grant a temporary classification pursuant to section 15.1642 of both criminal and civil investigative data, or on July 31, 1980 1981, whichever occurs first.

Sec. 2. Minnesota Statutes 1978, Section 15.162, Subdivision 3, is amended to read:

Subd. 3. "Data on individuals" includes all records, files and processes means all government data which contain any data in which an any individual, living or dead, is or can be identified and which are retained or intended to be retained on a permanent or temporary basis. It includes data collected, stored, or disseminated by manual, mechanical, electronic or any other means. Data on individuals are classified as public, private or confidential as the subject of that data, unless the appearance of the name or other identifying data can be clearly demonstrated to be only incidental to the data and the data are not accessed by the name or other identifying data of any individual.

**Sec. 3. Minnesota Statutes 1978, Section 15.162 is amended by adding a subdivision to read:**

*Subd. 3a. "Data not on individuals" means all government data which is not data on individuals.*

**Sec. 4. Minnesota Statutes 1978, Section 15.162, Subdivision 5a, is amended to read:**

*Subd. 5a. "Private data on individuals" means data which is made by statute or federal law applicable to the data: (a) not public; and (b) accessible to the individual subject of that data or, in the event of his death, to the legal representative of his estate or to his surviving spouse and next of kin or their legal representative pursuant to section 11. Private data on individuals does not include arrest information that is reasonably contemporaneous with an arrest or incarceration, or documents relating to estates of decedents filed with the probate court.*

**Sec. 5. Minnesota Statutes 1978, Section 15.162, is amended by adding a subdivision to read:**

*Subd. 5c. "Nonpublic data" means data not on individuals which is made by statute or federal law applicable to the data: (a) not accessible to the public; and (b) accessible to the subject of the data.*

**Sec. 6. Minnesota Statutes 1978, Section 15.162, is amended by adding a subdivision to read:**

*Subd. 5d. "Public data not on individuals" means data which is accessible to the public pursuant to section 15.1621.*

**Sec. 7. Minnesota Statutes, 1979 Supplement, Section 15.1621, is amended by adding a subdivision to read:**

*Subd. 4. The classification of data in the hands of an agency shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the hands of the disseminating or receiving agency.*

**Sec. 8. Minnesota Statutes, 1979 Supplement, 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 July 1, 1979 the effective date of this act and still in effect, and all temporary classifications thereafter applied for and granted pursuant to this section shall expire on July 31, 1980 or 18 months after the classification is granted, whichever occurs later. For purposes of this section, all temporary classifications granted prior to December 1, 1979, shall be treated as if they were granted in 1979.

**Sec. 9. Minnesota Statutes, 1979 Supplement, Section 15.1642, Subdivision 5a, is amended to read:**

Subd. 5a. [LEGISLATIVE CONSIDERATION AND EXPIRATION OF TEMPORARY CLASSIFICATIONS.] On or before January 15 of each year, the commissioner shall submit all temporary classifications granted in the prior year in effect on January 15 in bill form for legislative consideration. Unless enacted by law, each temporary classification so submitted shall expire 18 months after being granted and may not be renewed more than once to the legislature.

Sec. 10. Minnesota Statutes 1978, Section 15.165, Subdivision 3, is amended to read:

Subd. 3. Upon request to a responsible authority, an individual shall be informed whether he is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon his further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge to him and, if he desires, shall be informed of the content and meaning of that data. After an individual has been shown the private or public data and informed of its meaning, the data need not be disclosed to him for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected or created. The responsible authority shall provide copies of the private or public data upon request by the individual subject of the data. The cost of providing copies shall be borne by the individual. The responsible authority may require the requesting person to pay the actual costs of making, certifying, and compiling the copies.

The responsible authority shall comply immediately, if possible, with any request made pursuant to this subdivision, or within five days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible. If he cannot comply with the request within that time, he shall so inform the individual, and may have an additional five days within which to comply with the request, excluding Saturdays, Sundays and legal holidays.

Sec. 11. Minnesota Statutes 1978, Section 15.165, is amended by adding a subdivision to read:

Subd. 5. Upon the death of an individual who is the subject of stored data on individuals, that data shall retain the same classification as it had before his death, and all rights with respect to private data on a deceased data subject shall survive and accrue to his estate, or, if no estate is probated, to his surviving spouse, if any, and next of kin, if any. In the event that no estate is probated and that the state agency, statewide system, or political subdivision holding the private data is unable, after making a reasonable search, to locate any surviving spouse or next of kin, the private data shall be public. Confidential data on individuals shall remain confidential and shall not be disclosed except pursuant to a valid court order.

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 15.166, Subdivision 4, is amended to read:

Subd. 4. In addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person may bring an action in district court to compel compliance with sections 15.1611 to 15.1698 and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that a request for government data an action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. The matter shall be heard as soon as possible. In an action involving a request for government data under section 15.1621 or 15.165, the court may inspect in camera the government data in dispute, but shall conduct its hearing in public and in a manner that protects the security of data classified as not public.

Sec. 13. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1672] [EXAMINATION DATA.] *Data consisting solely of written testing or examination materials, or scoring keys used solely to determine individual qualifications for appointment or promotion in public service, or used to administer a licensing examination, or academic examination, the disclosure of which would compromise the objectivity or fairness of the testing or examination process are classified as nonpublic, except pursuant to court order.*

Sec. 14. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1673] [GENERAL NONPUBLIC DATA.] *Subdivision 1. As used in this section, the following terms have the meanings given them.*

(a) "Security information" means government data the disclosure of which would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury.

(b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(c) "Labor relations information" means management collective bargaining positions on economic and non-economic items that have not been presented during the negotiation process, including information specifically collected or created to prepare the management collective bargaining position.

*Subd. 2. The following government data is classified as non-public data with regard to data not on individuals, pursuant to section 5, and as private data with regard to data on individuals, pursuant to section 15.162, subdivision 5a: Security information, trade secret information, sealed absentee ballots prior to opening by an election judge, sealed bids prior to the opening of the bid, and labor relations information.*

Sec. 15. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1674] [DEFERRED ASSESSMENT DATA.] *Any data, collected by political subdivisions pursuant to section 435.193, which indicate the amount or location of cash or other valuables kept in the homes of applicants for deferred assessment, are private data pursuant to section 15.162, subdivision 5a.*

Sec. 16. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1675] [REVENUE DATA.] *The following data created, collected and maintained by the state department of revenue are classified as nonpublic, pursuant to section 5: criteria used in the computer processing of income tax returns to determine which returns are selected for audit; department criteria used to determine which income tax returns are selected for an in-depth audit; and department criteria and procedures for determining which accounts receivable balances below a specified amount are cancelled or written-off.*

Sec. 17. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1676] [SURPLUS LINE INSURANCE DATA.] *All data appearing on copies of surplus line insurance policies collected by the insurance division of the department of commerce pursuant to section 60A.20 are classified as private, pursuant to section 15.162, subdivision 5a.*

Sec. 18. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1677] [SOCIAL RECREATIONAL DATA.] *The following data collected and maintained by political subdivisions for the purpose of enrolling individuals in recreational and other social programs are classified as private, pursuant to section 15.162, subdivision 5a: data which describes physical or emotional problems of an individual; and opinions as to the emotional make-up or behavior of an individual.*

Sec. 19. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1678] [FEDERAL CONTRACTS DATA.] *To the extent that a federal agency requires it as a condition for contracting with a state agency or political subdivision, all government data collected and maintained by the state agency or political subdivision because that agency contracts with the federal agency are*

*classified as either private or nonpublic depending on whether the data are data on individuals or data not on individuals.*

Sec. 20. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1679] [LIBRARY DATA.] *Subdivision 1. As used in this section, "patron" means any individual who uses or has used the services of a public library.*

*Subd. 2. All records collected, maintained, used or disseminated by a public library shall be administered in accordance with the provisions of sections 15.1611 through 15.17.*

*Subd. 3. That portion of records maintained by a public library which links a 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. 21. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1680] [MEDICAL EXAMINER DATA.] *Subdivision 1. [DEFINITION.] As used in this section, "medical examiner data" means data relating to deceased individuals and the manner and circumstances of their death which are created, collected, used or maintained by a county coroner or medical examiner in the fulfillment of his official duties pursuant to chapter 390 or any other law relating to county coroners or medical examiners.*

*Subd. 2. [PUBLIC DATA.] Unless specifically classified otherwise by state statute or federal law, the following data created or collected by a medical examiner or coroner on a deceased individual are classified as public: name of the deceased; date of birth; date of death; address; sex; race; citizenship; marital status; location of death including name of hospital where applicable; name of spouse; whether or not the decedent ever served in the armed forces of the United States; social security number; occupation; business; father's name; mother's maiden name; birthplace; birthplace of parents; cause of death; causes of cause of death; whether an autopsy was performed and if so, whether it was conclusive; date and place of injury, if applicable, including work place; how injury occurred; whether death was caused by accident, suicide, homicide, or was of undetermined cause; certification of attendance by physician; physician's name and address; certification by coroner or medical examiner; name and signature of coroner or medical examiner; type of disposition of body; burial place name and location, if applicable; date of burial, cremation or removal; funeral home name and address; and name of local register or funeral director.*

*Subd. 3. [UNIDENTIFIED INDIVIDUAL; PUBLIC DATA.] Whenever a county coroner or medical examiner is unable to identify a deceased individual subject to his investigation, he may*

release to the public any relevant data which would assist in ascertaining identity.

**Subd. 4. [CONFIDENTIAL DATA.]** Data created or collected by a county coroner or medical examiner which is part of an active investigation mandated by chapter 390 or any other law relating to coroners or medical examiners are classified as confidential data on individuals pursuant to section 15.162, subdivision 2a until the completion of the coroner's or medical examiner's final summary of his findings at which point the data collected in the investigation and the final summary thereof shall become private, pursuant to section 15.162, subdivision 5a, except that nothing in this subdivision shall be construed to make private or confidential the data elements identified in subdivision 2 at any point in the investigation or thereafter.

**Subd. 5. [PRIVATE DATA.]** All other medical examiner data on deceased individuals are classified as private pursuant to section 15.162, subdivision 5a, and shall not be disclosed except pursuant to the provisions of chapter 390 or any other law on county coroners or medical examiners permitting disclosure, or pursuant to a valid court order.

Sec. 22. Minnesota Statutes 1978, Chapter 15, is amended by adding a section to read:

[15.1681] [INVESTIGATIVE DETENTION DATA.] Subdivision 1. [DEFINITION.] As used in this section, "investigative detention data" means government data created, collected, used or maintained by the state reformatories, prisons and correctional facilities, municipal or county jails, lockups, work houses, work farms and other correctional and detention facilities which: (a) if revealed, would disclose the identity of an informant who provided information about suspected illegal activities, and (b) if revealed, is likely to subject the informant to physical reprisals by others.

**Subd. 2. [GENERAL.]** Investigative detention data is confidential and shall not be disclosed except:

(a) Pursuant to section 15.163 or any other statute;

(b) Pursuant to a valid court order; or

(c) To a party named in a civil or criminal proceeding, whether administrative or judicial, to the extent required by the relevant rules of civil or criminal procedure.

Sec. 23. Minnesota Statutes, 1979 Supplement, Section 15.1691, Subdivision 3, is amended to read:

**Subd. 3. [INVESTIGATIVE DATA.]** Data collected, maintained, used or disseminated by the welfare system in an investigation, authorized by statute and relating to the enforcement of rules or law, is confidential pursuant to section 15.162, subdivision 2a, and shall not be disclosed except:

(a) Pursuant to section 15.163;

(b) Pursuant to statute or valid court order;

(c) To a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

After presentation in court or in a hearing held pursuant to sections 15.0411 to 15.052, the data shall be public data on individuals to the extent reflected in court or hearing records.

Sec. 24. Minnesota Statutes, 1979 Supplement, Section 15.1692, Subdivision 1, is amended to read:

15.1692 [PERSONNEL DATA.] Subdivision 1. As used in this section, "personnel data" means data on individuals collected because the individual is or was an employee of or an applicant for employment by, *performs services on a voluntary basis for, or acts as an independent contractor with a state agency, statewide system or political subdivision or is a member of an advisory board or commission.*

Sec. 25. Minnesota Statutes, 1979 Supplement, 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; *notice of dismissal*; 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; and, if relevant to qualifications for employment, city or town of residence.*

Sec. 26. Minnesota Statutes, 1979 Supplement, Section 15.1693, Subdivision 2, is amended to read:

Subd. 2. Except as provided in subdivision 4, 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; or

(e) Pursuant to the provisions of 20 U.S.C., Sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(A), (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. 27. Minnesota Statutes, 1979 Supplement, Section 15.1698, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section ; (a) "Directory information" means name of the patient, date admitted, general condition, and date released.

*(b) "Medical data" means data collected because an individual was or is a patient or client of a hospital, medical center, clinic, health or nursing agency operated by a state agency or political subdivision including business and financial records and data provided by or about relatives of the individual.*

Sec. 28. Minnesota Statutes, 1979 Supplement, Section 15.1698, is amended by adding a subdivision to read:

Subd. 4.[CLASSIFICATION OF MEDICAL DATA.] *Unless the data is summary data or a statute specifically provides a different classification, medical data are private but are available only to the subject of the data as provided in section 144.335, and shall not be disclosed to others except:*

*(a) Pursuant to section 15.163;*

*(b) Pursuant to a valid court order;*

*(c) To administer federal funds or programs;*

*(d) To the surviving spouse or next of kin of a deceased patient or client;*

*(e) To communicate a patient's or client's condition to a family member or other appropriate person in accordance with acceptable medical practice, unless the patient or client directs otherwise; or*

*(f) As otherwise required by law.*

Sec. 29. Minnesota Statutes 1978, Section 600.23, Subdivision 3, is amended to read:

Subd. 3. [WITHDRAWAL.] Papers and instruments so deposited shall not be *made public or withdrawn from such the office* except upon the written order of the person depositing the same, or his executors or administrators, or on the order of some court for the purpose of being read in *such the court* and then to be returned to *such the office*. *When so deposited, they shall be open to the examination of any person desiring the same upon payment of the fees, if any, allowed by law.*

Sec. 30. Laws 1978, Chapter 790, Section 5, Subdivision 2, is amended to read:

Subd. 2. Section 3 is effective April 1, 1980 1981 .

Sec. 31. [REPEALER.] *Minnesota Statutes, 1979 Supplement, Section 15.1692, Subdivision 4, is repealed.*

Sec. 32. [EFFECTIVE DATE.] *This act is effective the day following enactment.*"

Delete the title and insert:

"A bill for an act relating to privacy; providing for the collection and dissemination of government data; classifying data as private, confidential, nonpublic or public; amending Minnesota Statutes 1978, Sections 15.162, Subdivisions 3 and 5a, and by adding subdivisions; 15.165, Subdivision 3, and by adding a subdivision; 600.23, Subdivision 3; and Chapter 15, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 15.162, Subdivision 2a; 15.1621, by adding a subdivision; 15.1642, Subdivisions 5 and 5a; 15.166, Subdivision 4; 15.1691, Subdivision 3; 15.1692, Subdivisions 1 and 2; 15.1693, Subdivision 2; and 15.1698, Subdivision 1, and by adding a subdivision; and Laws 1978, Chapter 790, Section 5, Subdivision 2; repealing Minnesota Statutes, 1979 Supplement, Section 15.1692, Subdivision 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. No. 2039 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MEMBERS EXCUSED

Mr. Lessard was excused from the Session of today at 4:40 o'clock p.m. Mr. Moe was excused from the Session of today at 4:30 o'clock p.m. Mr. Hanson was excused from the Session of today at 4:15 o'clock p.m. Mr. Barrette was excused from the Session of today from 3:15 to 5:00 o'clock p.m.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 2:00 o'clock p.m., Monday, March 24, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

**EIGHTY-FIFTH DAY**

St. Paul, Minnesota, Monday, March 24, 1980

The Senate met at 2:00 o'clock p.m. and was called to order by the President.

**CALL OF THE SENATE**

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Bang	Hughes	Moe	Schaaf	Strand
Barrette	Johnson	Nichols	Schmitz	Stumpf
Benedict	Kirchner	Ogdahl	Setzepfandt	Tennessee
Brataas	Kleinbaum	Olhoft	Sieloff	Ulland, J.
Chmielewski	Knaak	Omann	Sikorski	Vega
Coleman	Laufenburger	Penny	Solon	Willet
Davies	Luther	Perpich	Spear	
Dunn	McCutcheon	Pillsbury	Staples	
Gearty	Menning	Purfeerst	Stern	
Hanson	Merriam	Renneke	Stokowski	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Vincent L. Hawkinson.

The roll was called, and the following Senators answered to their names:

Anderson	Gearty	Laufenburger	Perpich	Staples
Aahbach	Gunderson	Lessard	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Hughes	McCutcheon	Purfeerst	Strand
Benedict	Humphrey	Menning	Renneke	Stumpf
Bernhagen	Jensen	Merriam	Rued	Tennessee
Brataas	Johnson	Moe	Schaaf	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoft	Sikorski	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Penny	Spear	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

**MEMBERS EXCUSED**

Mr. Wegener was excused from the Session of today at 3:00 o'clock p.m. Mr. Gunderson was excused from the Session of today from 2:00 to 2:30 o'clock p.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Messrs. Engler; Ulland, J. and Rued introduced—

S. F. No. 2405: A bill for an act relating to taxation; income; providing a credit for certain sales of recycled materials; amending Minnesota Statutes 1978, Section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Engler introduced—

S. F. No. 2406: A bill for an act relating to county conciliation courts; clarifying that the court has jurisdiction of certain replevin actions; amending Minnesota Statutes 1978, Section 487.30, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Humphrey introduced—

S. F. No. 2407: A bill for an act relating to energy; providing for solar energy system loans; providing insurance for loans; providing a tax incentive; appropriating money; amending Minnesota Statutes 1978, Sections 48.19, Subdivision 4; 273.11, Subdivision 1; 462A.06, Subdivision 4; Chapters 273, by adding a section; and 462A, by adding sections.

Referred to the Committee on Commerce.

Messrs. Peterson, Schmitz, Ashbach, Setzepfandt and Lessard introduced—

S. F. No. 2408: A bill for an act proposing an amendment to the Minnesota Constitution, Article IV, Section 12; limiting the time and subjects of legislative sessions.

Referred to the Committee on Rules and Administration.

Messrs. Tennessen, Frederick, Davies and Hanson introduced—

S. F. No. 2409: A bill for an act relating to commerce; providing for the regulation of motor vehicle franchises; prohibiting certain practices by motor vehicle manufacturers; providing for injunctive relief and civil actions; repealing Minnesota Statutes 1978, Section 168.27, Subdivision 21.

Referred to the Committee on Commerce.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of

the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 802: A bill for an act relating to health; regulating the occupation of physical therapist; amending Minnesota Statutes 1978, Sections 148.65; 148.67; 148.70; 148.71; 148.72; 148.73; 148.74; 148.75; 148.76; 148.77; 148.78; and Chapter 148, by adding sections.

Senate File No. 802 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 21, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S. F. No. 802 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 802: A bill for an act relating to health; regulating the occupation of physical therapist; authorizing the commissioner of health to investigate complaints related to licensed occupations under certain circumstances; amending Minnesota Statutes 1978, Sections 148.65; 148.67; 148.70; 148.71; 148.72; 148.73; 148.74; 148.75; 148.76; 148.77; 148.78; 214.13, by adding subdivisions; and Chapter 148, by adding sections.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	McCutcheon	Peterson	Staples
Bang	Gearty	Menning	Pillsbury	Stern
Barrette	Hanson	Merriam	Purfeerst	Stokowski
Benedict	Hughes	Moe	Renneke	Strand
Bernhagen	Jensen	Nelson	Rued	Stumpf
Brataas	Johnson	Nichols	Schaaf	Ueland, A.
Chmielewski	Kirchner	Ogdahl	Schmitz	Ulland, J.
Coleman	Knaak	Olhoft	Setzepfandt	Vega
Davies	Knoll	Olson	Sieloff	Wegener
Dieterich	Laufenburger	Omann	Sikorski	Willet
Dunn	Lessard	Penny	Solon	
Engler	Luther	Perpich	Spear	

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned:

**S. F. No. 1719.**

**Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 21, 1980**

**Mr. President:**

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

**S. F. No. 364: A bill for an act relating to peace officers; requiring uniform colors and identification for law enforcement motor vehicles and uniforms of peace officers and security guards; amending Minnesota Statutes 1978, Section 169.98.**

There has been appointed as such committee on the part of the House:

**Lehto, Laidig and Vanasek.**

**Senate File No. 364 is herewith returned to the Senate.**

**Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 21, 1980**

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S. F. No. 1675: A bill for an act relating to taxation; clarifying the provisions of the wetland credit for property tax purposes; providing a property tax exemption and credit for native prairie; providing for payment to the county for revenue lost by the exemption and credit; appropriating money; amending Minnesota Statutes 1978, Chapter 273, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 272.02, Subdivision 1; 273.115, Subdivisions 1, 2, 5, 6, and by adding a subdivision.**

**Senate File No. 1675 is herewith returned to the Senate.**

**Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 21, 1980**

#### **CONCURRENCE AND REPASSAGE**

Mr. Peterson moved that the Senate concur in the amendments by the House to S. F. No. 1675 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1675 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Solon
Aabbach	Gearty	Lessard	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Humphrey	Merriam	Renneke	Strand
Brataas	Jensen	Moe	Rued	Stumpf
Chmielewski	Johnson	Nelson	Schaaf	Tennessen
Coleman	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1781:

H. F. No. 1781: A bill for an act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain powers and duties to school districts, the commissioner of education, the department of education and others; aid for education of pupils of limited English proficiency; requiring the establishment of local policies to minimize chemical use problems; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 121.88, by adding a subdivision; 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 122.531, by adding subdivisions; 123.11, Subdivision 7; 123.36, by adding a subdivision; 123.39, Subdivision 3; 123.932, Subdivision 9, and by adding a subdivision; 124.20; 124.214, Subdivision 2; 124.572, Subdivision 7; 126.07; 126.36, Subdivision 3; 126.52, Subdivision 5, and by adding a subdivision; 126.54, Subdivisions 5 and 6; 127.09; 127.11; 127.21; 134.03; 134.08; 275.125, Subdivisions 5 and 5a; 354.05, Subdivision 2; Chapter 124, by adding a section; Chapter 125, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 120.075, Subdivision 4, and by adding a subdivision; 121.912, Subdivision 1; 122.541, Subdivision 5; 123.35, Subdivision 15; 124.01; 124.11, Subdivisions 2a and 2b, and by adding a subdivision; 124.19, Subdivision 4; 124.212, Subdivision 7d; 124.223; 124.225; 124.245, Subdivisions 1 and 2; 124.247, Subdivisions 3 and 4; 126.54, Subdivision 1; 124.561, Subdivision 3a; 124.562, Subdivisions 2, 3 and 4; 124.5621, Subdivision 11; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 6; 124.566; 124.572, Subdivision 2; 275.125, Subdivisions 2a, 2b, 7a, 7b, 11a and 20; 353.01, Subdivision 2b; 354A.011,

Subdivision 27; 465.72; Laws 1979, Chapter 69, Sections 2 and 5; Chapter 334, Article VI, Section 35, Subdivision 9; Article VIII, Section 29; repealing Minnesota Statutes 1978, Sections 122.531, Subdivision 3; 125.61, as amended; 126.31 to 126.35; 126.36, Subdivisions 5 and 6; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8 and 9; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6 and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6 and 7; 127.22; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 29.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

McEachern; Johnson, C.; Tomlinson; Levi and Jennings have been appointed as such committee on the part of the House.

House File No. 1781 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1980

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1781, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted:

H. F. Nos. 1121, 1945 and 1838.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 21, 1980

#### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committee indicated.

H. F. No. 1121: A bill for an act relating to taxation; updating the definition of gross income for income tax purposes for individuals, trusts and estates with certain modifications; providing for exempt-interest dividends for certain mutual funds; extending the political contribution credit to congressional and local candidates; clarifying certain definitions; providing a tax credit for energy conservation expenditures; clarifying the renewable energy source credit; increasing the dependent care credit; extending investment tax credits to family corporations; making

certain changes in the minimum tax and in the treatment of small business corporations; allowing a ten year carryback of product liability losses; providing for deferral of certain gains recognized in the disposition of broadcasting property; reducing certain property tax classification ratios; increasing homestead credits; changing the property tax status of certain mobile homes; providing for delayed assessments for certain improvements; increasing homestead base value; providing a classification for neighborhood real estate trusts; adjusting levy limits and providing for certain special levies; providing for certain hearings and appeals on special assessments; clarifying property tax settlements; clarifying certain property tax refund filing due dates; extending eligibility for property tax refunds to certain claimants; providing for adjustment of property tax refunds due to abatements; providing state reimbursement for certain property; authorizing heat applied tax stamping machines; increasing the sales tax on retail sales from vending machines; providing a sales tax exemption for certain arts admissions; fixing maximum interest rates on public obligations; excepting certain debt obligations from public sale requirement; appropriating money; amending Minnesota Statutes 1978, Sections 124.212, Subdivision 2; 168.012, Subdivision 9; 273.13, Subdivisions 3 and 17b, and by adding a subdivision; 275.51, by adding a subdivision; 275.52, Subdivisions 2 and 5; 276.04; 276.09; 276.10; 276.11; 290.01, by adding a subdivision; 290.09, Subdivisions 2, 24 and 28; 290.095, by adding a subdivision; 290.13, by adding a subdivision; 290.26, Subdivision 2; 290.49, Subdivision 10; 290.971, Subdivisions 1, 3 and 6; 290.972, Subdivisions 1, 3 and 5; 290A.06; 290A.11, by adding a subdivision; 290A.17; 290A.18; 290A.19; 297.03, Subdivision 6; 297A.02; 297A.25, Subdivision 1; 375.192, Subdivision 1; 429.061, Subdivisions 1 and 2; 429.081; 474.06; 475.55; 475.60, Subdivision 2; Chapters 273, by adding sections; and 298, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 273.122; 273.13, Subdivisions 4, 5a, 6, 7, 14a and 19; 275.50, Subdivision 5; 290.01, Subdivision 20; 290.06, Subdivisions 11 and 14; 290.067, Subdivisions 1 and 2; 290.09, Subdivision 3; 290.091; 290.095, Subdivision 1; 290.14; 290.17, Subdivision 1; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes 1978, Section 290.971, Subdivision 5; and Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16.

Mr. McCutcheon moved that H. F. No. 1121 be laid on the table. The motion prevailed.

H. F. No. 1945: A bill for an act relating to regional railroad authorities; providing for their organization and governmental purpose, powers and duties; providing for audits.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2292, now on General Orders.

H. F. No. 1838: A bill for an act relating to taxation; real property; clarifying the treatment of cooperatives and charitable

corporations; amending Minnesota Statutes 1978, Section 273.133, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No 2047, now on General Orders.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2369: A bill for an act relating to the city of Duluth; providing for certain city tax revenues; repealing Laws 1973, Chapter 461, as amended; and Laws 1977, Chapter 438, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, delete everything after "(c)"

Page 2, line 1, delete "\$100,000 for any taxpayer"

Page 2, line 3, after the period, insert "The tax imposed pursuant to this subdivision shall terminate no later than December 31, 1992."

Page 2, line 9, delete "of only those" and insert "from the sale of lodging for periods of less than 30 days in"

Page 2, line 10, delete "which have 18 units or more, and" and insert "located in the city."

Page 2, line 31, after the period, insert "If the city council approves the imposition of the tax authorized under section 1, subdivision 2, it may provide for the exemption from taxation of sales of food, meals or drinks at establishments having an aggregate yearly amount of sales less than an amount to be set by the council. If the city council approves the imposition of the tax authorized under section 2, it may provide for the exemption from taxation of sales of lodging at hotels or motels having less than a number of rental units to be set by the council. The determination of the amount of sales and number of units which qualify for the exemption shall be based on the council's finding that establishments having a lower volume of sales or fewer units are less likely to profit from the promotion of tourism provided with the proceeds of the revenues pursuant to section 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1936: A bill for an act relating to taxation; income tax; extending the exclusion from gross income of family farm

security loan interest to loans executed prior to January 1, 1978; amending Minnesota Statutes 1978, Section 290.08, Subdivision 24.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2170: A bill for an act relating to taxation; providing adjustments to property tax refund due to granting of abatements on claimant's homestead; amending Minnesota Statutes 1978, Sections 290A.11, by adding a subdivision; and 375.192, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 2337: A bill for an act relating to appropriations; providing a reimbursement to the city of Fergus Falls for local improvements that benefit state property.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 7 and 8, delete "city of Fergus Falls" and insert "commissioner of public welfare"

Page 1, line 8, after "city" insert "of Fergus Falls"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1582: A bill for an act relating to agriculture; establishing a system for collection of disease incidence, morbidity and mortality; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 2027: A bill for an act relating to public welfare; authorizing certain payments to shelter facilities for battered women; requiring direct payments to shelter facilities from general assistance; appropriating money; amending Minnesota Statutes 1978, Section 256D.05, Subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

Page 2, line 21, delete "3" and insert "2"

Page 2, line 21, delete "Sections 1 and 2 are" and insert "Section 1 is"

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1638: A bill for an act relating to economic development; regulating the development revolving fund; amending Minnesota Statutes 1978, Section 472.13, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "deposited" and insert "credited"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1457: A bill for an act relating to transportation; providing for a transportation board; providing for transfer of certain duties, powers and functions of the public service commission and the commissioner of transportation to the transportation regulation board; regulating railroads and other common carriers of persons or property for hire; providing penalties; appropriating funds; amending Minnesota Statutes 1978, Sections 15A.081, Subdivision 1; 174.02, Subdivision 4; 174.03, Subdivision 2; 174.10, Subdivisions 1, 3, 4; 218.011, Subdivision 7; 218.021; 218.025; 218.031, Subdivisions 1, 6, 8, 10; 218.041; 218.071; 219.03; 219.14; 219.23; 219.24; 219.25; 219.27; 219.28; 219.383; 219.39; 219.40; 219.41; 219.42; 219.43; 219.46, Subdivision 7; 219.47; 219.51; 219.52; 219.54; 219.55; 219.562, Subdivision 3; 219.65; 219.681; 219.70; 219.71; 219.741; 219.85; 219.86; 219.87; 221.011, Subdivisions 2b, 15, 22; 221.021; 221.031, Subdivision 1; 221.041; 221.051; 221.061; 221.071; 221.081; 221.101; 221.121; 221.131; 221.141, Subdivision 2; 221.151; 221.161; 221.171; 221.181; 221.221; 221.261; 221.271; 221.281; 221.291, Subdivision 1; 221.293; 221.295; 221.296, Subdivisions 2, 3, 4, 8; 221.55; 221.68; repealing Minnesota Statutes 1978, Section 219.742.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 2, delete "APPROPRIATION;"

Page 6, line 2, delete "Subdivision 1."

Page 6, delete lines 3 to 6

Page 6, line 7, delete "Subd. 2. The authorized" and insert "The approved"

Page 74, line 16, delete "1979" and insert "1981"

Amend the title as follows:

Page 1, line 9, delete "appropriating funds;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1778: A bill for an act relating to interim claims against the state; appropriating money for the payment thereof.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 8 and 9, delete "subdivisions 2 to 10" and insert "this section"

Page 1, line 12, after "from" delete "a" and insert "an inadequate"

Page 2, line 7, after the dotted line, insert "\$1000.00."

Page 2, after line 30, insert:

"Subd. 11. Jean M. Hei, 1008 Prosperity Avenue, St. Paul, Minnesota 55106, for tuition and related expenses at a state university paid by her pending a final determination that her father's death was service connected, thus making her eligible to receive war orphan's educational benefits. . . . . \$2,049.00.

Subd. 12. Judy A. Hei, 1008 Prosperity Avenue, St. Paul, Minnesota 55106, for tuition and related expenses at a state university paid by her pending a final determination that her father's death was service connected, thus making her eligible to receive war orphan's educational benefits. . . . . \$1,377.00.

Subd. 13. Mary Jo Hei, 1008 Prosperity Avenue, St. Paul, Minnesota 55106, for tuition and related expenses at a state university paid by her pending a final determination that her father's death was service connected, thus making her eligible to receive war orphan's educational benefits. . . . . \$1,349.00.

Subd. 14. Magnuson, Huisinga and Sons, Inc., Rural Route 1, Pennock, Minnesota 56279, for salvage value of cattle that were condemned for tuberculosis testing but that no slaughtering establishment would accept. . . . . \$4,894.00.

Subd. 15. Edward A. Lien, 900 North Fourth Street, Minneapolis, Minnesota 55401, for injuries suffered in an accident while working in the prison industries. . . . . \$725.00.

Subd. 16. Allen J. Miller, 2014 Seventh Avenue, Mankato, Minnesota 56001, for injuries suffered while performing assigned duties while an inmate of the Minnesota correctional facility-Lino Lakes. . . . . \$5,625.00.

Subd. 17. Karey Parker, No. 100556, Minnesota correction facility-St. Cloud, St. Cloud, Minnesota 56301, for injuries received to his finger when cut on the jagged edge of the sink in his cell. . . . . \$120.00.

Subd. 18. Donald G. Wicklund, 10642 Utica Road, Bloomington, Minnesota 55437. Notwithstanding any law or rule to the contrary, Donald G. Wicklund shall be credited by the department of transportation with an additional 360 hours of sick leave, representing the amount promised to him as an inducement to relocate from Iowa and accept employment with the department of transportation, but later taken away because in excess of the amount permitted under rules of the department of personnel.

Sec. 2. [TRUNK HIGHWAY FUND CLAIMS.] Subdivision 1. The sums set forth in this section are appropriated from the trunk highway fund to the persons named in this section in full and final payment of claims against the state.

Subd. 2. David A. Huper, Rural Route 1, Box 141, Alden, Minnesota 56009 and Ellsworth H. Huper, Rural Route 1, Box 117, Wells, Minnesota 56097, for drain tile damaged during the construction of interstate highway 90. . . . . \$2,962.00.

Subd. 3. Town of Worthington, Route 1, Box 46, Worthington, Minnesota 56187, for damage to a township road caused by detouring traffic created when state trunk highway 266 was closed while on and off ramps were added to interstate highway 90 northwest of Worthington. . . . . \$6,982.00."

Page 3, after line 12, insert:

"Jay Lowell Jacobson, 1910 Oakdale Ave., West St. Paul, Minnesota 55118. . . . . \$97.50."

Page 3, line 13, delete "William Howard" and insert "Howard William"

Page 3, delete lines 21 and 22 and insert:

"Subd. 4. [VIETNAM.] James Russell Allen, Rt. 1, Box 99½, Cass Lake, Minnesota 56633. . . . . \$135.00

Dennis P. Amonson, 2901 Nevada Avenue South, St. Louis Park, Minnesota 55416. . . . . \$600.00

Dennis Michael Balmer, 4328 Otsego St., Duluth, Minnesota 55804. . . . . \$600.00"

Page 4, after line 6, insert:

"David Leo Coffelt, 1238 E. 7th St., St. Paul, Minnesota 55106. . . . . \$600.00"

Page 4, after line 12, insert:

"Leonard Charles De Foe, Jr., 14 E. 12th St., Duluth Minnesota 55805. . . . . \$195.00"

Page 4, after line 14, insert:

"David Lee Eidsvoog, 2634 14th Ave. So., Minneapolis, Minnesota 55407.....\$100.00"

Page 4, after line 16, insert:

"Jonathan F. Fermstad, 957 Myrtle St. NE, Atlanta, Georgia 30309.....\$300.00"

Page 4, after line 22, insert:

"Rex Erhart Greicar, 46 Valley Green Pk., Jordan, Minnesota 55352.....\$600.00"

Page 5, line 4, delete "Nebraska" and insert "Maine"

Page 5, after line 5, insert:

"Dennis Edward Hosek, 2273 Boardwalk Ave., Greenbay, Wisconsin 54301.....\$100.00"

Dale Rollen Hughes, 860 Corbett Ave. Apt. 303, San Francisco, California 94131.....\$300.00"

Page 5, after line 7, insert:

"Willis Ricky Jackson, 865 Allen Ave., West St. Paul, Minnesota 55107.....\$600.00"

Page 6, after line 4, insert:

"Michael John Madden, 3501 37th Ave. NE, Minneapolis, Minnesota 55421.....\$600.00"

Page 6, line 5, delete "McCulloch" and insert "McCullough"

Page 6, after line 10, insert:

"Donald Francis Meier, Route 2, Sibley Island Est., Bismarck, North Dakota 58501.....\$600.00"

Page 6, after line 12, insert:

"Irvin Palmer Moen, 2682 17A St. NW, New Brighton, Minnesota 55112.....\$300.00"

Page 6, after line 18, insert:

"Robert Walter Muir, 3130 Vickie Ct., Merced, California 95340.....\$600.00"

Maryjane Cochran Mundis, 3740 Stevens Ave., Minneapolis, Minnesota 55409.....\$240.00"

Page 6, after line 20, insert:

"Richard Wayne Newport, Box 193, Tucumcari, New Mexico 88401.....\$570.00"

Page 6, after line 24, insert:

"Richard Paul Olson, 11 Western Hills Drive, Algona, Iowa 50511.....\$600.00"

James Mathew O'Shea, 5424 3rd Ave. So., Minneapolis, Minnesota 55419.....\$300.00"

Vance Arlo Ostby, 5706 Kerry St., Corpus Christi, Texas 78413 .....\$600.00"

Page 6, after line 26, insert:

"Ronald Lee Paehlke, 455 High St. Apt. 5, Hutchinson, Minnesota 55336.....\$100.00"

Page 6, line 31, delete "605" and insert "604"

Page 7, after line 7, insert:

"Robert Leroy Ray, Jr., 958 Fuller, St. Paul, Minnesota 55104 .....\$135.00"

Page 7, after line 11, insert:

"Catherine Irene Rooney, Rt. 1, Box 20, Revere, Minnesota 56166.....\$165.00"

Page 7, after line 13, insert:

"William Nicholas Ruth, 2731 Hillsboro Ave. N. Apt. 107, New Hope, Minnesota 55427.....\$100.00"

Page 7, after line 15, insert:

"Henry Harvey Sadler, Rt. 2 Box 201, Nicollet, Minnesota 56074.....\$100.00"

Page 7, after line 21, insert:

"David Harry Schapery, 7415 162nd Ave., Forest Lake, Minnesota 55025.....\$105.00"

Page 7, after line 23, insert:

"Glen Arnold Schlieff, 4800 Idaho Ave. No., Crystal, Minnesota 55428.....\$100.00"

Page 7, after line 27, insert:

"Mark Andrew Schuster, 1900 Wachtler Ave., St. Paul, Minnesota 55118.....\$100.00"

Page 7, after line 29, insert:

"Robert Willard Sequin, 918-1 Gardenway, Manhattan, Kansas 66502.....\$600.00"

Page 7, after line 31, insert:

"James H. Snow, 6619 Channel Road, Minneapolis, Minnesota 55432.....\$120.00"

Page 7, after line 33, insert:

"Thomas Byrd Sparkman, 1713 Gull Lane, Mound, Minnesota 55364.....\$600.00"

Page 8, after line 12, insert:

“Kenneth Thompson, 8050 Old Central NE, Fridley, Minnesota 55432.....\$105.00”

Page 8, after line 22, insert:

“Wayne Henry Willhite, Route 2, Buffalo Lake, Minnesota 55314.....\$600.00”

Page 8, after line 24, insert:

“David Eugene Winter, 623 So. Second St., Staples, Minnesota 56479.....\$300.00”

Amend the title as follows:

Page 1, line 2, delete “interim”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1408, 2047, and 2262 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2262	2341			1408	1430
				2047	2101

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1962 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
				1962	1964

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1962 be amended as follows:

Amend the title as follows:

Page 1, lines 6 and 7, delete “imposing certain duties on the registrar of motor vehicles;”

And when so amended H. F. No. 1962 will be identical to S. F. No. 1964, and further recommends that H. F. No. 1962 be given its second reading and substituted for S. F. No. 1964, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1095 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1095	1085				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1095 be amended as follows:

Page 2, lines 30 and 31, delete *"and applies to all actions commenced on or after that date"*

And when so amended H. F. No. 1095 will be identical to S. F. No. 1085, and further recommends that H. F. No. 1095 be given its second reading and substituted for S. F. No. 1085, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1790 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1790	1844				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1790 be amended as follows:

Page 1, delete lines 8 to 19, and insert

*"Section 1. Minnesota Statutes 1978, Section 173.08, Subdivision 2, is repealed."*

Page 1, lines 20 and 21, delete the underscoring

Further, amend the title as follows:

Page 1, line 2, delete "authorizing" and insert "permitting"

Page 1, line 3, delete "within 500 feet of local parks" and insert "in certain places"

Page 1, line 4, delete "amending" and insert "repealing"

And when so amended H. F. No. 1790 will be identical to S. F. No. 1844, and further recommends that H. F. No. 1790 be given its second reading and substituted for S. F. No. 1844, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 2369, 1936, 2170, 2337, 1582, 2027, 1638, 1457 and 1778 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 1408, 2047, 2262, 1962, 1095, and 1790 were read the second time.

#### MOTIONS AND RESOLUTIONS

Mr. Peterson moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1690. The motion prevailed.

Mr. Merriam moved that the name of Mr. Sikorski be added as co-author to S. F. No. 2264. The motion prevailed.

Mr. Lessard introduced—

Senate Resolution No. 56: A Senate resolution relating to extending congratulations to the Grand Rapids High School Hockey Team for winning the 1980 State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Mr. McCutcheon moved that the name of Mr. Johnson be added as co-author to S. F. No. 883. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Calendar. The motion prevailed.

#### CALENDAR

S. F. No. 2172: A bill for an act relating to the Moose Lake-Windemere Sewer District; definitions; board membership and compensation; powers; amending Laws 1974, Chapter 400, Sec-

tions 3, Subdivisions 5 and 12; 4, Subdivisions 2 and 9; and 8, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Lessard	Perpich	Spear
Ashbach	Gearty	Luther	Peterson	Staples
Bang	Gunderson	McCutcheon	Pillsbury	Stern
Barrette	Hanson	Menning	Purfeerst	Stokowski
Benedict	Hughes	Merriam	Renneke	Strand
Bernhagen	Humphrey	Moe	Rued	Stumpf
Brataas	Jensen	Nelson	Schaaf	Tennessee
Chmielewski	Johnson	Nichols	Schmitz	Ueland, A.
Coleman	Keefe, J.	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kirchner	Olhoft	Sieloff	Vega
Dieterich	Kleinbaum	Olson	Sikorski	Wegener
Dunn	Knaak	Omann	Sillers	Willet
Engler	Laufenburger	Penny	Solon	

So the bill passed and its title was agreed to.

S. F. No. 1805: A bill for an act relating to education; designating the birthday of Martin Luther King as a special observance day in public schools; eliminating a reference to the amount of time that may be spent for certain instruction and programs on a special observance day; amending Minnesota Statutes 1978, Section 126.10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Lessard	Perpich	Spear
Ashbach	Gearty	Luther	Peterson	Staples
Bang	Gunderson	McCutcheon	Pillsbury	Stern
Barrette	Hanson	Menning	Purfeerst	Stokowski
Benedict	Hughes	Merriam	Renneke	Strand
Bernhagen	Humphrey	Moe	Rued	Stumpf
Brataas	Jensen	Nelson	Schaaf	Tennessee
Chmielewski	Johnson	Nichols	Schmitz	Ueland, A.
Coleman	Keefe, J.	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kirchner	Olhoft	Sieloff	Vega
Dieterich	Kleinbaum	Olson	Sikorski	Wegener
Dunn	Knaak	Omann	Sillers	Willet
Engler	Laufenburger	Penny	Solon	

So the bill passed and its title was agreed to.

H. F. No. 2024: A bill for an act relating to the city of Hibbing; authorizing development and administration of a housing program within the city, including that part of the city which formerly comprised the town of Stuntz.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Lessard	Peterson	Staples
Aashbach	Gearty	Luther	Pillsbury	Stern
Bang	Gunderson	McCutcheon	Purfeerst	Stokowski
Barrette	Hughes	Menning	Renneke	Strand
Benedict	Humphrey	Merriam	Rued	Stumpf
Bernhagen	Jensen	Moe	SchAAF	Tennessee
Brataas	Johnson	Nelson	Schmitz	Ueland, A.
Chmielewski	Keefe, J.	Nichols	Setzepfandt	Ueland, J.
Coleman	Kirchner	Ogdahl	Sieloff	Vega
Davies	Kleinbaum	Olson	Sikorski	Wegener
Dieterich	Knaak	Omann	Sillers	Willet
Dunn	Knoll	Penny	Solon	
Engler	Laufenburger	Perpich	Spear	

Mr. Olhoft voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1090: A bill for an act relating to education; authorizing the state board for community colleges to contract for certain insurance coverage for students; amending Minnesota Statutes 1978, Section 136.62, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Solon
Aashbach	Gearty	Lessard	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Humphrey	Merriam	Renneke	Strand
Brataas	Jensen	Moe	Rued	Stumpf
Chmielewski	Johnson	Nelson	SchAAF	Tennessee
Coleman	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ueland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1861: A bill for an act relating to education; changing the term "community schools" to "community education"; amending Minnesota Statutes 1978, Sections 120.76; 121.85; 121.86; 121.87; 121.88, Subdivisions 1, 2 and 3; and 124.271, Subdivision 4; Minnesota Statutes, 1979 Supplement, Sections 3.9279, Subdivision 7; 124.271, Subdivisions 1a, 2 and 5; and 275.125, Subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gearly	Lessard	Perpich	Spear
Aahbach	Gunderson	Luther	Peterson	Staples
Bang	Hanson	McCutcheon	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Jensen	Moe	Rued	Stumpf
Brataas	Johnson	Nelson	Schaaf	Tennessee
Chmielewski	Keefe, J.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Laufenburger	Penny	Solon	

Mr. Davies voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1962: A bill for an act relating to the environment; altering the procedure for environmental review; providing for alternative forms of environmental review; amending Minnesota Statutes 1978, Section 116D.04, by adding subdivisions; repealing Minnesota Statutes 1978, Section 116D.04, Subdivisions 1, 2, 3, 4, and 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Perpich	Spear
Aahbach	Gearly	Lessard	Peterson	Staples
Bang	Gunderson	Luther	Pillsbury	Stern
Barrette	Hanson	McCutcheon	Purfeerst	Stokowski
Benedict	Hughes	Merriam	Renneke	Strand
Bernhagen	Humphrey	Moe	Rued	Stumpf
Brataas	Jensen	Nelson	Schaaf	Tennessee
Chmielewski	Johnson	Nichols	Schmitz	Ueland, A.
Coleman	Keefe, J.	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kirchner	Olhoft	Sieloff	Vega
Dieterich	Kleinbaum	Olson	Sikorski	Wegener
Dunn	Knaak	Omann	Sillers	Willet
Engler	Knoll	Penny	Solon	

So the bill passed and its title was agreed to.

S. F. No. 210: A bill for an act relating to education; providing and regulating certain mobility incentives for certain teachers in the community colleges and state universities; amending Minnesota Statutes 1978, Sections 354.094, Subdivisions 1, 2 and 5;

354.66, Subdivisions 1, 7, 9 and 10, and by adding subdivisions; 354.69; Minnesota Statutes, 1979 Supplement, Sections 354.094, Subdivision 3; and 354.66, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Solon
Ashbach	Gearty	Lessard	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Humphrey	Merriam	Renneke	Strand
Brataas	Jensen	Moe	Rued	Stumpf
Chmielewski	Johnson	Nelson	Schaaf	Tennessee
Coleman	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoff	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 2044: A bill for an act relating to eminent domain; limiting the authority to acquire certain property by condemnation; repealing certain obsolete provisions of law authorizing acquisition by condemnation; changing certain obsolete language; amending Minnesota Statutes 1978, Sections 84.033; 84.154, Subdivision 3; 84A.10; 84A.39; 84A.55, Subdivision 13; 85.015, Subdivisions 12 and 13; 88.09, Subdivision 2; 89.032, Subdivision 1; 105.39, Subdivision 4; 123.64; 136.65, Subdivision 1; 137.01, Subdivision 2; 137.02, Subdivisions 1 and 3; 190.11; 193.143; 193.144, Subdivisions 2 and 3; 459.06, Subdivision 1; 463.03; and 641.263, Subdivision 2; repealing Minnesota Statutes 1978, Sections 38.05; 85A.02, Subdivision 6; 117.31; 123.40, Subdivision 6; 123.63; 161.29; 193.144, Subdivision 4; 222.42; and 643.06.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Pillsbury	Stern
Ashbach	Hanson	McCutcheon	Purfeerst	Stokowski
Bang	Hughes	Menning	Renneke	Strand
Barrette	Humphrey	Moe	Rued	Stumpf
Benedict	Jensen	Nelson	Schaaf	Tennessee
Bernhagen	Johnson	Nichols	Schmitz	Ueland, A.
Brataas	Keefe, J.	Ogdahl	Setzepfandt	Ulland, J.
Chmielewski	Kirchner	Olhoff	Sieloff	Vega
Davies	Kleinbaum	Olson	Sikorski	Willet
Dieterich	Knaak	Omann	Sillers	
Dunn	Knoll	Penny	Solon	
Engler	Laufenburger	Perpich	Spear	
Frederick	Lessard	Peterson	Staples	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

**H. F. No. 1834:** A bill for an act relating to education; adding the commissioner of agriculture to the equalization aid review committee; amending Minnesota Statutes 1978, Section 124.212, Subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Pillsbury	Stern
Ashbach	Gunderson	Luther	Purfeerst	Stokowski
Bang	Hanson	Menning	Renneke	Strand
Barrette	Hughes	Moe	Rued	Stumpf
Benedict	Humphrey	Nelson	Schaaf	Tennessee
Bernhagen	Jensen	Nichols	Schmitz	Ueland, A.
Brataas	Johnson	Ogdahl	Setzepfandt	Ulland, J.
Chmielewski	Keefe, J.	Olhoff	Sieloff	Vega
Davies	Kirchner	Olson	Sikorski	Wegener
Dieterich	Kleinbaum	Omann	Sillers	Willet
Dunn	Knaak	Penny	Solon	
Engler	Knoll	Perpich	Spear	
Frederick	Laufenburger	Peterson	Staples	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

**S. F. No. 2092:** A bill for an act relating to state parks; clarifying the law governing state acquisitions and landowners' rights; hunting and fishing within boundaries; amending Minnesota Statutes 1978, Sections 85.0115; and 99.25, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Perpich	Spear
Ashbach	Gunderson	Luther	Peterson	Staples
Bang	Hanson	McCutcheon	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Jensen	Moe	Rued	Stumpf
Brataas	Johnson	Nelson	Schaaf	Tennessee
Chmielewski	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoff	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Laufenburger	Penny	Solon	

So the bill passed and its title was agreed to.

**S. F. No. 1021: A bill for an act relating to taxation; providing for continuation of homestead classification of property owned by Peace Corps or VISTA volunteer; amending Minnesota Statutes 1978, Section 273.13, Subdivision 10.**

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Solon
Ashbach	Gearty	Lessard	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Humphrey	Merriam	Renneke	Strand
Brataas	Jensen	Moe	Rued	Stumpf
Chmielewski	Johnson	Nelson	Schaaf	Tennessee
Coleman	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

**S. F. No. 1235: A bill for an act relating to public improvements; permitting deferral of special assessments in instances of hardship; amending Minnesota Statutes 1978, Section 435.193.**

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Solon
Ashbach	Gearty	Lessard	Perpich	Spear
Bang	Gunderson	Luther	Peterson	Staples
Barrette	Hanson	McCutcheon	Pillsbury	Stern
Benedict	Hughes	Menning	Purfeerst	Stokowski
Bernhagen	Humphrey	Merriam	Renneke	Strand
Brataas	Jensen	Moe	Rued	Stumpf
Chmielewski	Johnson	Nelson	Schaaf	Tennessee
Coleman	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

**S. F. No. 1618: A bill for an act relating to taxation; authorizing certain taxing districts to provide property tax exemption or abatement for certain new business facilities; requiring an adjustment of the EARC valuation; adjusting the local government aid formula; amending Minnesota Statutes 1978, Section 124.212,**

by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Section 477A.01, Subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 17, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Omann	Sillers
Ashbach	Gearty	Laufenburger	Penny	Solon
Bang	Hanson	Lessard	Pillsbury	Staples
Barrette	Humphrey	McCutcheon	Renneke	Stokowski
Benedict	Jensen	Menning	Rued	Strand
Bernhagen	Johnson	Nichols	Schaaf	Ueland, A.
Brataas	Keefe, J.	Ogdahl	Schmitz	Ulland, J.
Chmielewski	Kirchner	Olhoff	Sieloff	Vega
Engler	Kleinbaum	Olson	Sikorski	Wegener

Those who voted in the negative were:

Davies	Keefe, S.	Perpich	Spear	Willet
Dieterich	Knoll	Peterson	Stern	
Gunderson	Luther	Purfeerst	Stumpf	
Hughes	Merriam	Setzepfandt	Tennessee	

So the bill passed and its title was agreed to.

S. F. No. 1655: A bill for an act relating to education; permitting certain previous nonresident students to be treated as resident students in their district of attendance, and authorizing the state board of education and school superintendents to make these exceptions; amending Minnesota Statutes 1978, Chapter 120, by adding sections; and Minnesota Statutes, 1979 Supplement, Section 120.075, Subdivision 4, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Menning	Purfeerst	Stokowski
Ashbach	Gunderson	Merriam	Renneke	Strand
Bang	Hanson	Moe	Rued	Stumpf
Barrette	Hughes	Nelson	Schaaf	Tennessee
Benedict	Humphrey	Nichols	Schmitz	Ueland, A.
Bernhagen	Jensen	Ogdahl	Setzepfandt	Ulland, J.
Brataas	Johnson	Olhoff	Sieloff	Vega
Chmielewski	Kirchner	Olson	Sikorski	Wegener
Davies	Kleinbaum	Omann	Sillers	Willet
Dieterich	Knaak	Penny	Solon	
Dunn	Knoll	Perpich	Spear	
Engler	Lessard	Peterson	Staples	
Frederick	McCutcheon	Pillsbury	Stern	

So the bill passed and its title was agreed to.

H. F. No. 1871: A bill for an act relating to the Minnesota-Wisconsin boundary area commission; providing that the terms of commissioners shall be staggered; amending Minnesota Statutes 1978, Section 1.33.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Penny	Solon
Ashbach	Gunderson	Lessard	Perpich	Spear
Bang	Hanson	Luther	Peterson	Staples
Barrette	Hughes	McCutcheon	Pillsbury	Stern
Benedict	Humphrey	Menning	Purfeerst	Stokowski
Bernhagen	Jensen	Merriam	Renneke	Strand
Brataas	Johnson	Moe	Rued	Stumpf
Chmielewski	Keefe, J.	Nelson	Schaaf	Tennessee
Davies	Keefe, S.	Nichols	Schmitz	Ueland, A.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olhoft	Sieloff	Vega
Engler	Knaak	Olson	Sikorski	Wegener
Frederick	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

H. F. No. 1207: A bill for an act relating to motor vehicles; excluding owners of certain trailers from the requirement to furnish evidence of security; amending Minnesota Statutes 1978, Section 65B.68, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Perpich	Spear
Ashbach	Gunderson	Luther	Peterson	Staples
Bang	Hanson	McCutcheon	Pillsbury	Stern
Barrette	Hughes	Menning	Purfeerst	Stokowski
Benedict	Humphrey	Merriam	Renneke	Strand
Bernhagen	Jensen	Moe	Rued	Stumpf
Brataas	Johnson	Nelson	Schaaf	Tennessee
Chmielewski	Keefe, J.	Nichols	Schmitz	Ueland, A.
Davies	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Wegener
Engler	Knoll	Omann	Sillers	Willet
Frederick	Laufenburger	Penny	Solon	

So the bill passed and its title was agreed to.

H. F. No. 2028: A bill for an act relating to state government; clarifying benefits of employees of former Hastings state hospital.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Penny	Solon
Ashbach	Gunderson	Lessard	Perpich	Spear
Bang	Hanson	Luther	Peterson	Staples
Barrette	Hughes	McCutcheon	Pillsbury	Stern
Benedict	Humphrey	Menning	Purfeerst	Stokowaki
Bernhagen	Jensen	Merriam	Renneke	Strand
Brataas	Johnson	Moe	Rued	Stumpf
Chmielewski	Keefe, J.	Nelson	Schaaf	Tennessee
Davies	Keefe, S.	Nichols	Schmitz	Ueland, A.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olhoff	Sieloff	Vega
Engler	Knaak	Olson	Sikorski	Wegener
Frederick	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

### RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

### REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 514, 2025, 1683, 994, 2100, 1053, 1884, 1986, 1978, 1629, 620, 883 and H. F. No. 1779 makes the following report:

That the above Senate Files and House File, with the exception of S. F. No. 883, be placed on the General Orders Calendar in the order indicated.

That S. F. No. 883 is being retained in the Subcommittee.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. McCutcheon moved that H. F. No. 1121 be taken from the table. The motion prevailed.

H. F. 1121: A bill for an act relating to taxation; updating the definition of gross income for income tax purposes for individuals, trusts and estates with certain modifications; providing

for exempt-interest dividends for certain mutual funds; extending the political contribution credit to congressional and local candidates; clarifying certain definitions; providing a tax credit for energy conservation expenditures; clarifying the renewable energy source credit; increasing the dependent care credit; extending investment tax credits to family corporations; making certain changes in the minimum tax and in the treatment of small business corporations; allowing a ten year carryback of product liability losses; providing for deferral of certain gains recognized in the disposition of broadcasting property; reducing certain property tax classification ratios; increasing homestead credits; changing the property tax status of certain mobile homes; providing for delayed assessments for certain improvements; increasing homestead base value; providing a classification for neighborhood real estate trusts; adjusting levy limits and providing for certain special levies; providing for certain hearings and appeals on special assessments; clarifying property tax settlements; clarifying certain property tax refund filing due dates; extending eligibility for property tax refunds to certain claimants; providing for adjustment of property tax refunds due to abatements; providing state reimbursement for certain property; authorizing heat applied tax stamping machines; increasing the sales tax on retail sales from vending machines; providing a sales tax exemption for certain arts admissions; fixing maximum interest rates on public obligations; excepting certain debt obligations from public sales requirements; appropriating money; amending Minnesota Statutes 1978, Sections 124.212, Subdivision 2; 168.012, Subdivision 9; 273.13, Subdivisions 3 and 17b, and by adding a subdivision; 275.51, by adding a subdivision; 275.52, Subdivisions 2 and 5; 276.04; 276.09; 276.10; 276.11; 290.01, by adding a subdivision; 290.09, Subdivisions 2, 24 and 28; 290.095, by adding a subdivision; 290.13, by adding a subdivision; 290.26, Subdivision 2; 290.49, Subdivision 10; 290.971, Subdivisions 1, 3 and 6; 290.972, Subdivisions 1, 3 and 5; 290A.06; 290A.11, by adding a subdivision; 290A.17; 290A.18; 290A.19; 297.03, Subdivision 6; 297A.02; 297A.25, Subdivision 1; 375.192, Subdivision 1; 429.061, Subdivisions 1 and 2; 429.081; 474.06; 475.55; 475.60, Subdivision 2; Chapters 273, by adding sections; and 298, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 273.122; 273.13, Subdivisions 4, 5a, 6, 7, 14a and 19; 275.50, Subdivision 5; 290.01, Subdivision 20; 290.06, Subdivisions 11 and 14; 290.067, Subdivisions 1 and 2; 290.09, Subdivision 3; 290.091; 290.095, Subdivision 1; 290.14; 290.17, Subdivision 1; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes 1978, Section 290.971, Subdivision 5; and Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16.

### SUSPENSION OF RULES

Mr. McCutcheon moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1121 and that the rules of the Senate be so far suspended as to give H. F. No. 1121 its

second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 1121 was read the second time.

Mr. McCutcheon moved to amend H. F. No. 1121 as follows:

Delete the language after the enacting clause of H. F. No. 1121, and insert the language of S. F. No. 883, as amended by the Committee on Taxes and Tax Laws, adopted by the Senate March 21, 1980; and delete the title of H. F. No. 1121 and insert the title of S. F. No. 883, as amended by the Committee on Taxes and Tax Laws, adopted by the Senate March 21, 1980.

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Mr. McCutcheon imposed a call of the Senate for the balance of the proceedings on H. F. No. 1121. The following Senators answered to their names:

Ashbach	Engler	Laufenburger	Peterson	Stern
Bang	Frederick	Lessard	Pillsbury	Stokowski
Barrette	Gearty	Luther	Purfeerst	Strand
Benedict	Hanson	McCutcheon	Renneke	Stumpf
Bernhagen	Hughes	Menning	Rued	Tennessee
Brataas	Humphrey	Merriam	Schmitz	Ueland, A.
Chmielewski	Jensen	Nelson	Setzepfandt	Ulland, J.
Coleman	Johnson	Ogdahl	Sieloff	Vega
Davies	Kirchner	Olhoft	Sikoraki	Willet
Dieterich	Kleinbaum	Omann	Spear	
Dunn	Knaak	Perpich	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Mrs. Brataas moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 28, after line 13, insert:

"Sec. 10. Minnesota Statutes 1978, Section 290.13, is amended by adding a subdivision to read:

*Subd. 5a. [GAIN OR LOSS FROM SALE OR EXCHANGE TO EFFECTUATE POLICIES OF F.C.C.] If the sale or exchange of property, including stock in a corporation, is certified by the Federal Communications Commission to be necessary or appropriate to effectuate a change in a policy of, or the adoption of a new policy by the commission with respect to the ownership and control of radio broadcasting stations, the sale or exchange shall, if the taxpayer so elects, be treated as an involuntary conversion of the property within the meaning of subdivision 5. For purposes of this subdivision, "radio broadcasting" includes telecasting.*

*For purposes of subdivision 5 as made applicable by the provisions of this subdivision, stock of a corporation operating a radio broadcasting station, whether or not representing control of the corporation, shall be treated as property similar or related in service or use to the property so converted. The part of the gain, if any, on the sale or exchange to which subdivision 5 is not applied shall nevertheless not be recognized, if the taxpayer so elects, to the extent that it is applied to reduce the basis for determining gain or loss on sale or exchange of property of a character subject to the allowance for depreciation under section 290.09, subdivision 7, remaining in the hands of the taxpayer immediately after the sale or exchange, or acquired in the same taxable year. The manner and amount of the reduction shall be determined under regulations prescribed by the commissioner. Any election made by the taxpayer under this subdivision shall be made by a statement to that effect in his return for the taxable year in which the sale or exchange takes place, and the election shall be binding for that taxable year and all subsequent taxable years.*

*The basis of property acquired on a sale or exchange treated as an involuntary conversion under this subdivision shall be determined pursuant to the provisions of subdivision 5.*

Sec. 11. [EFFECTIVE DATE.] *Section 10 is effective for sales and exchanges occurring after December 31, 1975."*

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S. moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 210, after line 20, insert:

## "ARTICLE XI

Section 1. Minnesota Statutes 1978, Section 10A.25, Subdivision 2, is amended to read:

Subd. 2. In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

(a) For governor and lieutenant governor, running together, 12½ cents per capita or \$600,000 \$1,000,000 , whichever is greater;

(b) For attorney general, 2½ cents per capita or \$100,000 \$150,000 , whichever is greater;

(c) For secretary of state, state treasurer and state auditor, separately, 1¼ cents per capita or \$50,000 \$75,000 , whichever is greater;

(d) For state senator, 20 cents per capita or ~~\$15,000~~ \$25,000 , whichever is greater;

(e) For state representative, 20 cents per capita or ~~\$7,500~~ \$12,500 , whichever is greater.

**Sec. 2. [EFFECTIVE DATE.]** *Section 1 is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 31, after the semicolon, insert "increasing expenditure limits of candidates accepting income tax check-off moneys;"

Page 1, line 32, after "Sections" insert "10A.25, Subdivision 2;"

Mr. Jensen questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Keefe, S. withdrew the amendment.

Mr. Keefe, S. then moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 210, after line 20, insert:

## "ARTICLE XI

Section 1. Minnesota Statutes 1978, Section 10A.25, Subdivision 2, is amended to read:

Subd. 2. In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

(a) For governor and lieutenant governor, running together,  $12\frac{1}{2}$  cents per capita or ~~\$600,000~~ \$1,000,000 , whichever is greater;

(b) For attorney general,  $2\frac{1}{2}$  cents per capita or ~~\$100,000~~ \$150,000 , whichever is greater;

(c) For secretary of state, state treasurer and state auditor, separately,  $1\frac{1}{4}$  cents per capita or ~~\$50,000~~ \$75,000 , whichever is greater;

(d) For state senator, 20 cents per capita or ~~\$15,000~~ \$25,000 , whichever is greater;

(e) For state representative, 20 cents per capita or ~~\$7,500~~ \$12,500 , whichever is greater.

Sec. 2. Minnesota Statutes 1978, Section 10A.31, Subdivision 1, is amended to read:

**10A.31 [DESIGNATION OF INCOME TAX PAYMENTS.]**  
Subdivision 1. Effective with the taxable years beginning after December 31, 1977, every individual who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate that \$1 \$2 shall be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that \$1 \$2 shall be paid. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that \$1 \$2 shall be paid from the general fund of the state into the state elections campaign fund. No individual shall be allowed to designate \$1 \$2 more than once in any year.

Sec. 3. Minnesota Statutes 1978, Section 10A.31, Subdivision 2, is amended to read:

Subd. 2. The taxpayer may designate that the \$1 \$2 be paid into the account of a political party or into the general account.

Sec. 4. Minnesota Statutes 1978, Section 10A.31, Subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall on the first page of the income tax form and the renter and homeowner property tax refund return notify the filing individual and any adult dependent of that individual of his right to allocate \$1 \$2 (\$2 \$4 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$1 \$2 (or \$2 \$4 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of \$1 \$2. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$1 \$2 on the return only if he has not designated \$1 \$2 on the income tax return.

Sec. 5. [EFFECTIVE DATE.] *Section 1 is effective the day following final enactment. Sections 2 to 4 are effective for taxable years beginning after December 31, 1979.*

Amend the title as follows:

Page 1, line 31, after the semicolon insert "increasing the income tax check-off for public financing of political campaigns and increasing expenditure limits of candidates accepting such financing:"

Page 1, line 32, after "Sections" insert "10A.25, Subdivision 2; 10A.31, Subdivisions 1, 2 and 3;"

Mr. Jensen requested division of the amendment as follows:

First portion:

Page 210, after line 20, insert:

### “ARTICLE XI

Section 1. Minnesota Statutes 1978, Section 10A.25, Subdivision 2, is amended to read:

Subd. 2. In a year in which an election is held for an office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

(a) For governor and lieutenant governor, running together, 12½ cents per capita or ~~\$600,000~~ \$1,000,000, whichever is greater;

(b) For attorney general, 2½ cents per capita or \$100,000 \$150,000, whichever is greater;

(c) For secretary of state, state treasurer and state auditor, separately, 1¼ cents per capita or ~~\$50,000~~ \$75,000, whichever is greater;

(d) For state senator, 20 cents per capita or ~~\$15,000~~ \$25,000, whichever is greater;

(e) For state representative, 20 cents per capita or ~~\$7,500~~ \$12,500, whichever is greater.”

Amend the title as follows:

Page 1, line 31, after the semicolon, insert “increasing expenditure limits of candidates accepting income tax check-off financing;”

Page 1, line 32, after “Sections” insert “10A.25, Subdivision 2;”

Second Portion:

Page 210, after line 20, insert:

### “ARTICLE XI

Section 1. Minnesota Statutes 1978, Section 10A.31, Subdivision 1, is amended to read:

10A.31 [DESIGNATION OF INCOME TAX PAYMENTS.]  
Subdivision 1. Effective with the taxable years beginning after December 31, 1977, every individual who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate that \$1 \$2 shall be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that \$1 \$2 shall be paid. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that \$1 \$2 shall be paid from the general fund of the state into the state

elections campaign fund. No individual shall be allowed to designate \$1 \$2 more than once in any year.

Sec. 2. Minnesota Statutes 1978, Section 10A.31, Subdivision 2, is amended to read:

Subd. 2. The taxpayer may designate that the \$1 \$2 be paid into the account of a political party or into the general account.

Sec. 3. Minnesota Statutes 1978, Section 10A.31, Subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall on the first page of the income tax form and the renter and homeowner property tax refund return notify the filing individual and any adult dependent of that individual of his right to allocate \$1 \$2 (\$2 \$4 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$1 \$2 (or \$2 \$4 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of \$1 \$2. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$1 \$2 on the return only if he has not designated \$1 \$2 on the income tax return.

Sec. 4. [EFFECTIVE DATE.] *Section 1 is effective the day following final enactment. Sections 2 to 4 are effective for taxable years beginning after December 31, 1979.*

Amend the title as follows:

Page 1, line 31, after the semicolon, insert "increasing the income tax check-off for public financing of political campaigns;"

Page 1, line 32, after "Sections" insert "10A.31, Subdivisions 1, 2 and 3;"

The question was taken on the adoption of the second portion of the Keefe, S. amendment. The motion prevailed. So the second portion of the Keefe, S. amendment was adopted.

The question was taken on the adoption of the first portion of the amendment.

Mr. Jensen questioned whether the first portion of the amendment was germane.

The President ruled that the first portion of the amendment was germane.

Mr. Jensen appealed the decision of the President.

The question before the Senate was: Shall the decision of the President be the judgment of the Senate?

The roll was called, and there were yeas 43 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	McCutcheon	Perpich	Staples
Benedict	Humphrey	Menning	Peterson	Stokowski
Chmielewski	Johnson	Merriam	Purfeerst	Strand
Coleman	Keefe, S.	Moe	Schaaf	Stumpf
Davies	Kleinbaum	Nelson	Schmitz	Tennessee
Dieterich	Knoll	Nichols	Setzepfandt	Vega
Gearty	Laufenburger	Olhoft	Sikorski	Willet
Gunderson	Lessard	Olson	Solon	
Hanson	Luther	Penny	Speare	

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Renneke	Ulland, J.
Bang	Engler	Knaak	Rued	
Barrette	Frederick	Knutson	Sieloff	
Bernhagen	Jensen	Omann	Sillers	
Brataas	Keefe, J.	Pillsbury	Ueland, A.	

The decision of the President was sustained.

The question recurred on the first portion of the Keefe, S. amendment. The motion prevailed. So the first portion of the Keefe, S. amendment was adopted.

Mr. Schaaf moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 210, after line 20, insert:

#### "ARTICLE XI: PEOPLE MOVER SYSTEM

Section 1. [DEFINITIONS.] *Subdivision 1. The definitions in this section apply to sections 1 to 14.*

*Subd. 2. "City" means the city of St. Paul in Ramsey County acting through the city council or any agency, authority or corporation established by or with the approval of the city, acting through its governing body, to implement any of the provisions of this act.*

*Subd. 3. "Commission" means the metropolitan transit commission created by Minnesota Statutes, Section 473.404, having jurisdiction over the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.*

*Subd. 4. "People mover system" means an automated fixed guideway transit system designed to serve the main commercial area of the city of St. Paul and the area of the city surrounding it as determined by the board, and all property, real and personal, and all contract rights, determined to be necessary or desirable for the acquisition, betterment, operation and maintenance of the system.*

*Subd. 5. "Transit system" has the meaning given in Minnesota Statutes, Section 473.121.*

*Subd. 6. "Acquisition" and "Betterment" have the meanings given in Minnesota Statutes, Section 475.51.*

*Subd. 7. "Vehicle system" means the transit cars, the guideway, the guideway columns, the guideway electrification, the control and communication mechanisms, the platform doors, the maintenance and control center equipment, and other similar necessary components of the people mover system.*

*Subd. 8. "Capitol area" has the meaning given in Minnesota Statutes, Section 15.50.*

*Subd. 9. The "joint management board" or "board" means the board created under section 2.*

*Subd. 10. "Revenue service" means days the people mover system is actually operating and available for use by the general public.*

**Sec. 2. [JOINT MANAGEMENT BOARD; IMPLEMENTATION AUTHORITY.]** *The city and the commission shall enter into a written joint powers agreement establishing a joint management board to manage and supervise the people mover system. The board shall have the powers and responsibilities provided for in this act and in the agreement. The board shall be composed of seven members. Two shall be members of the commission appointed by the chairman of the commission with the approval of the commission. Not more than one of these members shall be a resident of the city of St. Paul. Two members of the St. Paul city council and two members representing property owners in the area served by the people mover shall be appointed by and serve at the pleasure of the mayor of the city of St. Paul and shall be confirmed by the council. Notwithstanding the provisions of section 471.59, subdivision 2, the seventh member and chairman of the board shall be appointed by the chairman of the metropolitan council established by Minnesota Statutes, Section 473.123 and shall not be a resident of the city of St. Paul. The city and the commission acting together, pursuant to the joint powers agreement or any amendment thereof, may exercise all powers conferred upon either or both of them by law or charter, to provide for the acquisition, betterment, operation, maintenance and promotion of a people mover system. The commission shall agree as part of the joint powers agreement to issue bonds as needed for the acquisition and betterment of the people mover system as provided in section 11. The joint powers agreement shall include an agreement providing for coordination of the people mover system with transit service operated by the commission to encourage and enhance ridership on both systems and a parking, traffic and pedestrian management plan to improve and facilitate access to the people mover system, including construction of fringe parking facilities and skyways. By December 15, 1980, the board shall report to the legislature on the joint powers agreement, the activities conducted*

*pursuant to it and to this act, and any additional legislation that may be necessary or appropriate. In addition to filing copies of the report as provided in section 3.195, the board shall provide an oral presentation to the appropriate standing committees of the legislature.*

**Sec. 3. [METROPOLITAN COUNCIL REVIEW AND RECOMMENDATION.]** *The metropolitan council established by Minnesota Statutes, Section 473.123, in making its review under Minnesota Statutes, Section 473.171, of the application for federal grant in connection with the people mover system as a matter of metropolitan significance, shall conduct a public hearing upon such application and the program proposed thereby within 30 days of submission of the application to the council. Not less than 14 days before the hearing the council shall publish notice thereof in a newspaper having general circulation in the metropolitan area, stating the date, time and place of hearing, and the place where the application may be examined by any interested person. Within 14 days after the hearing the council shall make its recommendation upon the application and cause notice of the same to be published in the same manner as the hearing notice.*

**Sec. 4. [EQUIPMENT PURCHASE.] Subdivision 1. [REQUEST FOR PROPOSALS.]** *Notwithstanding the provisions of Minnesota Statutes, Sections 471.345 and 471.35 or any other provision of law or charter, a contract for purchase of a vehicle system comprising part of the people mover system shall be awarded to the bidder whose proposal is determined to be most favorable on the basis of specifications which shall include the following considerations: the cost of the vehicle system; its cost consequence for other elements of the people mover system; the operating and maintenance cost of the vehicle system; its visual, aesthetic, environmental, noise and energy impact; the supplier's plan for winter operation; the capacity of the vehicle system to meet the functional and physical specifications of the contract documents; the ability of the bidder to perform design, furnishing, installing and testing services for all vehicle system elements and for construction coordinations; and ability of the bidder to meet requirements imposed as contract conditions in any grant contract entered into with the federal government. Bids may not be solicited without approval by the board of the functional and physical specifications proposed for the vehicle system purchase contract. Eligible bidders shall be limited to suppliers who have provided people mover systems which have successfully served the public.*

**Subd. 2. [CONTRACT AWARD.]** *Contracts for equipment purchase and for construction may not be awarded without approval of the board. The purchase contract for the vehicle system shall require the supplier to assure that the vehicle system operates within the specifications of the contract and to maintain the vehicle system for a five year period of revenue operation at a fixed base price with escalation clauses. The five year period shall be extended for the period of time equal to the time when the*

*vehicle system is not in service because of a failure of the system to perform according to the specifications of the contract. The contract shall contain a provision permitting termination of the operation and maintenance portion of the contract by the board at the end of any year of revenue operation.*

*Subd. 3. [CERTIFICATION.] No revenue operation of the people mover system shall begin until the board receives written notice, signed by the administrator of the urban mass transportation administration, stating that the vehicle system or the part proposed to be operated has been fully tested, that it meets the criteria for acceptance established by the authority that let the construction and equipment purchase contracts with the concurrence of the administration, and that it is ready for year-around revenue operation. The purchase contract for the vehicle system shall so provide. The written notice from the administration shall not imply any legal liability of the federal government for construction or operation of the people mover system.*

*Sec. 5. [SPECIAL ASSESSMENT.] The people mover system and related access facilities, including the seventh place pedestrian mall and public galleria facilities, are determined to be local improvements within the meaning of the Minnesota Constitution, Article X, the city's charter, and Minnesota Statutes, Chapters 429 and 430. Accordingly, the costs of acquisition, construction, reconstruction, extension, operation, maintenance and promotion of the people mover system and such facilities whether paid or to be paid by the city or the commission, may be specially assessed against property determined to be specially benefited thereby, to the extent of and in proportion to the benefits. The special assessment shall be levied by the city pursuant to its charter, chapter 429 or 430, and the collections thereof may be pledged to the payment of the costs.*

*Sec. 6. [ACCESS FACILITIES.] By December 15, 1980 the board, the commission and the city shall report to the legislature on their plans for improving and facilitating access to the people mover system from other modes of transportation. In addition to filing copies of the reports as provided in section 3.195, the board, the city and the commission shall provide oral presentations of the reports to the appropriate standing committees of the legislature. The commission, subject to the approval of the board, shall produce a plan for managing the relationship between transit vehicles and the people mover to enhance ridership, revenue and patron satisfaction on both systems. The city, subject to the approval of the board, shall produce parking and traffic and pedestrian management plans, including plans for the construction of fringe parking ramps or lots and skyways to improve and facilitate access to the people mover system. The parking plans shall identify the specific locations and capacities of the proposed facilities, along with preliminary design, engineering, and traffic management studies. The plans shall include a development program with a schedule for the development of such facilities and a detailed financial plan demonstrating financial capability for a prospective*

*five year period to support the capital, operating, maintenance and promotional costs of the parking and other access facilities.*

**Sec. 7. [FARE AND TRANSFER POLICIES.] Subdivision 1. [REDUCED OR SOCIAL FARES.]** *Fares charged during non-peak hours for elderly and handicapped riders shall not exceed one-half of the peak hour fares for the general public. The board may charge the social fares provided in Minnesota Statutes, Section 473.408, Subdivision 3, during non-peak hours. The board shall determine the peak and non-peak hours of the people mover system for purposes of the reduced fares provided in this subdivision. Reduced or social fares charged by the board shall be reimbursed by the Minnesota department of transportation as provided in Minnesota Statutes, Section 174.24, Subdivision 4.*

**Subd. 2. [TRANSFER POLICY.]** *All fares charged to riders of the people mover system who transfer from the system to transit service provided by the commission shall be paid to the commission. No additional fare shall be charged to any rider who transfers to the people mover system from transit service provided by the commission.*

**Sec. 8. [OPERATING DEFICIT; DETERMINATION AND PAYMENT.] Subdivision 1.** *Any operating deficit of the people mover system shall be paid as provided in this section and section 9.*

**Subd. 2.** *For the purposes of this section and section 9, "operating deficit" means that portion of the costs of operating, maintaining and promoting the people mover system during the period of revenue service which exceeds the amount received from revenues of the system, reimbursement for reduced or social fares, federal operating assistance and other sources exclusive of payments by the city, the commission and owners of benefited properties as provided in this section and section 9.*

**Subd. 3.** *As soon as practicable before the start of revenue service, the board shall:*

*(a) Establish an operating deficit account for the deposit of all money required to be paid pursuant to this section by the city, the commission and owners of benefited properties and for the payment of the operating deficit;*

*(b) Determine the estimated operating deficit for the calendar year in which revenue service is expected to begin and for the first year of revenue service;*

*(c) Determine the amount of the share required from the city, the commission and the owners of benefited properties to pay the estimated operating deficit as provided in section 9. If the system is expected to be in revenue service for only a portion of the first calendar year of revenue service, the shares shall be prorated according to the percentage of the year the system is expected to be in revenue service; and*

*(d) Establish procedures which assure that an amount equal to the estimated operating deficit for the calendar year in which*

*service begins, as determined under clause (b), is paid to the operating deficit account by the city and the commission not later than the first day of revenue service and that additional amounts will be paid by the city and the commission if necessary to pay the actual operating deficit through the end of the first full calendar year of revenue service. The amounts which the city and commission may be required to pay pursuant to this clause are not limited to the amounts provided in section 9.*

*The city shall levy assessments on benefited properties pursuant to section 5 in the amount the board determines is required from the owners of the properties to pay the estimated operating deficit as determined under clause (c) of this subdivision. These assessments shall be levied at the earliest possible time consistent with the provisions of section 5.*

*Subd. 4. Not later than July 1 of the first full calendar year of revenue service and at one year intervals thereafter the board shall:*

*(a) Determine the actual operating deficit for the preceding calendar year;*

*(b) Determine the amounts paid into the operating deficit account during the preceding calendar year by the city, the commission and owners of benefited properties. Deductions and additions carried over from another year shall be included in payments made during the year subject to the determination;*

*(c) Determine the amounts which are required from the city, the commission and owners of benefited properties to pay the operating deficit for the preceding calendar year pursuant to section 9;*

*(d) Determine whether the city, the commission or owners of benefited properties have paid to the operating deficit account during the preceding calendar year an amount that is more or less than that required under clause (c) of this subdivision and deduct the excess from or add the deficiency to the required payment by that party for the following calendar year;*

*(e) Determine the estimated operating deficit for the following calendar year and the amounts which are required from the city, the commission and owners of benefited properties to pay that estimated operating deficit pursuant to section 9;*

*(f) Establish a schedule of payments by the city and the commission for the following calendar year which assures the payment of the estimated operating deficit in a timely manner; and*

*(g) Report its findings and determinations to the city and the commission.*

*For the purpose of the determination made in the first full calendar year of revenue service, the preceding calendar year is deemed to include all preceding calendar years in which an operating deficit was incurred or payments were made by the city, the commission and owners of benefited property.*

*Subd. 5. At the earliest possible time after receiving a report of the board as provided in subdivision 4, the city shall levy assessments for the amount determined by the board to be required from owners of benefited properties to pay the estimated operating deficit less any amount previously assessed which was not due and payable before the close of the previous year. The assessments shall be levied pursuant to section 5.*

*Subd. 6. The city and the commission shall pay the amounts determined by the board to be required from them to pay the estimated operating deficit according to the schedule established by the board.*

**Sec. 9. [OPERATING DEFICIT SHARING FORMULA.]** *Subdivision 1. The city, the commission and the owners of benefited properties shall share in the payment of the operating deficit according to the provisions of subdivisions 2 to 5.*

*Subd. 2. Owners of benefited properties shall pay the first \$300,000 of any operating deficit for any year of revenue service, subject to escalation as provided in subdivision 5. Payments shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 3. If the operating deficit for any year exceeds the amount required to be paid pursuant to subdivision 2, the city, the commission and owners of benefited properties shall each pay one-third of the remaining portion up to a maximum of \$500,000, subject to escalation as provided in subdivision 5. Payments by owners of benefited properties shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 4. If the operating deficit for any year exceeds the amounts required to be paid pursuant to subdivisions 2 and 3, owners of benefited properties shall pay one-half of the excess up to a maximum of \$800,000, subject to escalation as provided in subdivision 5, and the city shall pay the remaining amount of the excess. Payments by owners of benefited properties shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 5. The maximum payments provided in subdivisions 2 and 3 shall be increased beginning July 1, 1978, to the close of the first year of revenue service by an amount equal to the local consumer price index not to exceed eight percent, compounded annually. After the first year of revenue service, the amount calculated under the preceding sentence shall be increased by the actual rate of inflation of the cost of operating and maintaining the people mover system, compounded annually.*

**Sec. 10. [CAPITOL AREA FACILITIES; STATE OWNED PROPERTY.]** *Subdivision 1. Construction of the people mover system within the capitol area shall be exempt from the provision of Minnesota Statutes 1978, Section 15.50, Subdivision 2, Clause (e), requiring design competition except that capitol station west shall be subject to an invited competition as defined in part II, 6, c(2) of the American Institute of Architecture document number 6-J332, issued November, 1976, sponsored and conducted by the capitol area architectural and planning board upon guidelines*

*and criteria as determined by agreement between that board and the joint board. System improvements within the capitol area shall be in conformity with the comprehensive use plan for the capitol area and subject to the approval of the capitol area architectural and planning board.*

*Subd. 2. The commissioner of administration on behalf of the state may grant to the city or the commission, without compensation, easements for the construction, location and operation of the people mover system upon state owned property. The commissioner of administration and the urban mass transportation administration shall establish the value of easements and related access facilities in the capitol area which will be required for the people mover and which are eligible in lieu of cash as local contributions to the capital cost of the people mover project. The value of these easements and facilities shall be applied to the commission's share of the local contributions.*

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 473.436, is amended by adding a subdivision to read:

*Subd. 6. [PEOPLE MOVER SYSTEM.] The commission may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding \$9,000,000 for the purpose of acquisition and betterment of the people mover system as defined in section 1. The proceeds of the obligations shall be expended as provided in the joint powers agreement entered into by the commission pursuant to section 2. Proceeds of the obligations which are not needed for acquisition and betterment of the people mover system shall be expended to pay the operating deficit of the people mover system pursuant to sections 8 and 9. No obligations shall be issued under this subdivision until the commission determines that agreements have been executed between the authority that will let the construction contract for the people mover system and the appropriate labor organizations and construction contractor organizations which provide that no labor strike or management lockout will halt, delay or impede construction.*

Sec. 12. [JUDICIAL PROCEEDINGS; TIME TO COMMENCE.] *No action shall be commenced or maintained, nor defense interposed in an eminent domain proceeding, questioning the public purpose, propriety of expenditure of public funds, or validity of any law authorizing the acquisition, betterment, operation, maintenance or financing of the people mover system, except by lawsuit commenced in the district court of Ramsey County within 90 days of the date of publication of the metropolitan council recommendation given pursuant to section 3, or within 90 days of the date of written notice mailed to persons whose property may be taken by subsequent proceedings in eminent domain for the people mover system or right of way. Such action timely commenced by any taxpayer, any person whose property is or may be taken or interfered with by reason of the proposed implementation of the people mover system, or other person with standing, shall be maintained in the manner provided by law, including Minnesota Statutes, Chapter 562. Nothing in this subdivision nor*

*notice given pursuant thereto shall be construed as a taking of private property, nor as limiting a property owner's right to just compensation for the taking of private property to be litigated in proceedings in eminent domain subsequently instituted under charter or Minnesota Statutes, Chapter 117, for such taking and assessment and award of damages.*

**Sec. 13. [LIMIT ON CAPITAL EXPENDITURES.]** *Subdivision 1. [TOTAL EXPENDITURES.] Except as otherwise provided in this subdivision, the sum of all expenditures by the city and the commission, including federal grants and in-kind expenditures, for acquisition, construction and betterment of the people mover system shall not exceed \$90,000,000. This amount may be increased by up to 20 percent if the federal urban mass transportation administration provides 80 percent matching grants for any amount exceeding \$90,000,000 and that all of the non-federal share required to match the federal grants is provided by the city.*

*Subd. 2. [COMMISSION EXPENDITURES.] The commission shall expend no money for the acquisition, construction or betterment of the people mover system except the proceeds of the bonds authorized in section 11.*

**Sec. 14. [RELATIONSHIP TO TAX INCREMENT FINANCING DISTRICTS.]** *After approval of this act by the governing body of the city of St. Paul, no tax increment financing district may be certified by the county auditor pursuant to the provisions of Minnesota Statutes, Chapters 458, 462, 472A or 474 if the proposed district includes any property located within a distance of one half mile of the proposed route of the people mover system. In the case of a tax increment financing project for which certification has been requested from the county auditor prior to approval of this act, there may be no geographic enlargement of the district to add any property located within one half mile of the route. If a district for which certification was requested prior to approval of this act includes property located within one half mile of the route, no bonds may be issued after the date of the approval of this act by the municipality or the authority responsible for the project for the purpose of financing project activities within the district.*

**Sec. 15. [REPEALER.]** *Laws 1977, Chapter 454, Section 45, is repealed.*

**Sec. 16. [EFFECTIVE DATE.]** *This article is effective upon approval by resolution of the St. Paul city council and by resolution of the metropolitan transit commission. The resolutions shall be adopted after published notice to the public and public hearing."*

Amend the title as follows:

Page 1, line 31, after the first semicolon, insert "authorizing the acquisition, betterment, operation and maintenance of a people mover system in St. Paul; establishing a procedure for payment of the operating deficit by the metropolitan transit com-

mission, the city of St. Paul and benefited property owners; providing for assistance by the state; authorizing issuance of capital improvement bonds by the Twin Cities Metropolitan Transit Commission;"

Page 2, line 11, after the second semicolon insert "473.436, by adding a subdivision;"

Page 2, line 39, after the second semicolon, insert "Laws 1977, Chapter 454, Section 45;"

Mr. Sieloff questioned whether the amendment was germane.

The President ruled that the amendment was germane.

Mr. Schaaf withdrew his amendment.

Mr. Chmielewski moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 84, delete lines 11 to 13 and insert "*law. Violation of the regulations shall be a misdemeanor under state law.*"

Sec. 4. *After July 1, 1980, no producer or refiner of gasoline fuel shall open, purchase or acquire an ownership in a new or existing retail outlet selling gasoline fuel in the state. The provisions of this section shall not apply to cooperative associations organized pursuant to chapter 308.*"

Page 84, line 14, delete ", 2 and 3" and insert "to 4"

Renumber the sections in sequence

Mr. Tennessen questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Olson moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 102, after line 10, insert:

*"(z) The gross receipts from the sale of used farm machinery and the sale of new or used repair and replacement parts for farm machinery. For purposes of this clause, "farm machinery" means machinery and accessories used directly and principally in the production for sale, but not including the processing, of livestock, dairy animals, dairy products, poultry and poultry products, fruits, vegetables, forage, grains and bees and apiary products.*

*"Farm machinery" includes: machinery for the preparation, seeding or cultivation of soil for growing agricultural crops, harvesting and threshing of agricultural products, and certain machinery for dairy, livestock and poultry farms, together with barn cleaners, milking systems, grain dryers, automatic feeding systems*

*and similar installations, and irrigation equipment sold for exclusively agricultural use, including pumps, pipe fittings, valves, sprinklers and other equipment necessary to the operation of an irrigation system when sold as part of an irrigation system, except irrigation equipment which is situated below ground and considered to be a part of the real property.*

*"Farm machinery" does not include: tools, shop equipment, grain bins, feed bunks, fencing material, communication equipment and other farm supplies or motor vehicles required to be registered under chapter 297B, snowmobiles, snow blowers, lawn mowers, garden-type tractors or garden tillers and the repair and replacement parts for those vehicles and machines."*

Amend the title as follows:

Page 1, line 28, after "organizations" insert "and sales of used farm machinery and parts"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 8, strike lines 28 to 33

Page 9, strike line 1

Page 9, line 2, strike "\$17,000" and insert "\$12,000"

Page 22, line 9 delete the new language

Page 22, delete lines 10 and 11

Page 24, delete lines 12 to 16

Page 24, line 24, delete the new language

Page 24, delete lines 25 to 32

Page 25, line 1, reinstate the stricken language and delete the new language

Page 25, line 2, delete the new language

Page 25, line 3, reinstate the stricken language and delete the new language

Page 25, line 7, delete the new language

Page 25, line 8, delete the new language

Page 25, line 9, delete the new language

Page 25, delete lines 10 to 28

Page 25, line 31, reinstate the stricken language and delete the new language

Page 26, line 4, reinstate the stricken language and delete the new language

Page 26, line 5, delete the new language

Page 26, line 20, reinstate the stricken language and delete the new language

Page 26, line 21, delete the new language

Page 26, line 23, delete the new language

Page 26, delete lines 24 to 26

Page 29, line 22, after "DATE.]" insert "*The amendment to clause (b) (6) of section 1 is effective for taxable years beginning after December 31, 1979.*"

Mr. Frederick requested division of the amendment as follows:

First portion: Page 8, strike lines 28 to 33

Page 9, strike line 1

Page 9, line 2, strike "\$17,000" and insert "\$12,000"

Second portion: Page 22, line 9, delete the new language

Page 22, delete lines 10 and 11

Page 24, delete lines 12 to 16

Page 24, line 24, delete the new language

Page 24, delete lines 25 to 32

Page 25, line 1, reinstate the stricken language and delete the new language

Page 25, line 2, delete the new language

Page 25, line 3, reinstate the stricken language and delete the new language

Page 25, line 7, delete the new language

Page 25, line 8, delete the new language

Page 25, line 9, delete the new language

Page 25, delete lines 10 to 28

Page 25, line 31, reinstate the stricken language and delete the new language

Page 26, line 4, reinstate the stricken language and delete the new language

Page 26, line 5, delete the new language

Page 26, line 20, reinstate the stricken language and delete the new language

Page 26, line 21, delete the new language

Page 26, line 23, delete the new language

Page 26, delete lines 24 to 26

Page 29, line 22, after "DATE.]" insert "*The amendment to clause (b)(6) of section 1 is effective for taxable years beginning after December 31, 1979.*"

The question was taken on the adoption of the second portion of the Merriam amendment. The motion did not prevail. So the second portion of the Merriam amendment was not adopted.

Mr. Merriam withdrew the first portion of his amendment.

Mr. Stumpf moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 210, after line 20, insert:

## "ARTICLE XII

Section 1. Minnesota Statutes 1978, Section 474.06, is amended to read:

474.06 [MANNER OF ISSUANCE OF BONDS; INTEREST RATE.] Bonds authorized under this chapter shall be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale shall not be required, and the bonds may mature at any time or times in such amount or amounts within 30 years from date of issue and may be sold at a price equal to such percentage of the par value thereof, plus accrued interest, and bearing interest at such rate or rates, *not exceeding nine percent per year*, as may be agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law. When bonds authorized under this chapter are issued, they shall state whether they are issued for a project defined in section 474.02, subdivisions 1, 1a, 1b, or 1c.

Sec. 2. Minnesota Statutes 1978, Section 475.55, is amended to read:

475.55 [EXECUTION; NEGOTIABILITY; INTEREST RATES.] 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 July 1, 1981, shall not exceed the rate of 12 percent per annum, payable half yearly.* Interest thereon on obligations authorized thereafter shall not exceed the rate of seven 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.

Subd. 2. The provisions of subdivision 1 shall supersede all provisions of any law or charter fixing a lower maximum interest rate fixed by any other law or a city charter with respect to obligations of the state or any municipality or governmental or public subdivision, district, corporation, commission, board, council, or authority of whatsoever kind, including warrants or orders issued in evidence of allowed claims for property or services furnished to the issuer, but shall not restrict the power of the issuer to fix limit the interest on any obligation in accordance with the issued pursuant to a law or charter authorizing its issuance the issuer to determine the rate or rates of interest.

Subd. 3. Notwithstanding any contrary provisions of law or charter, special assessments pledged to the payment of obligations may bear interest at the rate the governing body by resolution determines, not exceeding the greater of (a) the maximum interest rate per annum which the obligations may bear under the provisions of subdivisions 1 and 2 plus one percent or (b) the maximum interest rate permitted to be charged against the assessments under the law or city charter pursuant to which the assessments were levied.

Sec. 3. Minnesota Statutes 1978, Section 475.60, Subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) Obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) Obligations sold by an issuer in an amount not exceeding the total sum of \$100,000 \$200,000 in any three month period;

(3) Obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately; and

(4) Obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency.

Sec. 4. Section 1 of this article is effective July 1, 1981. Sections 2 and 3 are effective the day after final enactment."

Amend the title as follows:

Page 1, line 31, after the semicolon, insert "changing certain interest rates;"

Page 2, line 11, after "1," insert "474.06; 475.55; 475.60, Subdivision 2;"

Mr. Ulland, J. moved to amend the Stumpf amendment to H. F. No. 1121, as follows:

Pages 1 and 2 of the Stumpf amendment, delete section 1

Page 4, delete lines 5 and 6, and insert:

*"Sec. 3. Sections 1 and 2 are effective the day after"*

Renumber the sections in sequence

Amend the title amendment as follows:

Page 4 of the Stumpf amendment, line 11, delete "474.06;"

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 33 and nays 30, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Menning	Renneke	Solon
Bang	Kirchner	Nichols	Rued	Strand
Barrette	Kleinbaum	Ogdahl	Schmitz	Ueland, A.
Bernhagen	Knaak	Omann	Setzepfandt	Ulland, J.
Brataas	Knoll	Penny	Sieloff	Willet
Dunn	Knutson	Peterson	Sikorski	
Engler	Laufenburger	Pillsbury	Sillers	

Those who voted in the negative were:

Anderson	Gerty	Keefe, S.	Nelson	Staples
Benedict	Gunderson	Lessard	Olhoft	Stern
Chmielewski	Hanson	Luther	Olson	Stokowski
Coleman	Hughes	McCutcheon	Perpich	Stumpf
Davies	Humphrey	Merriam	Purfeerst	Tennessee
Dieterich	Johnson	Moe	Spear	Vega

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Stumpf amendment, as amended.

The motion prevailed. So the Stumpf amendment, as amended, was adopted.

Mr. Davies moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 210, after line 20, insert:

#### "ARTICLE XI

Section 1. [DEFINITIONS.] *Subdivision 1. For the purposes of sections 1 to 9, the following terms have the meanings given them in this section.*

*Subd. 2. "Board" means the Minnesota state board of investment.*

*Subd. 3. "Commissioner" means the State of Minnesota commissioner of finance.*

*Subd. 4. "Minnesota standard state bonds" means bonds issued by the state pursuant to the provisions of sections 1 to 9.*

*Subd. 5. "Political subdivisions" means cities, counties, townships, school districts, special service districts and any other local units of government in Minnesota authorized to incur public debt through the issuance of bonds.*

**Sec. 2. [LOAN AUTHORIZATION; APPLICATIONS FROM POLITICAL SUBDIVISIONS.]** *Subdivision 1. [AUTHORIZATION.] The commissioner of finance, upon timely receipt of a loan application from a political subdivision, may loan to the political subdivision proceeds from the issuance of standard state bonds pursuant to the provisions of sections 1 to 9. The commissioner's decision as to whether to make such a loan is discretionary, but he shall not effect a loan if he determines that:*

*(1) The political subdivision could not directly issue general obligations bonds to obtain funds for the purpose for which the loan was requested,*

*(2) The political subdivision has been or is currently in default on a loan pursuant to this program,*

*(3) The political subdivision does not appear to be financially able to repay the amount of the loan requested,*

*(4) The political subdivision has not taken reasonable, preliminary steps in preparation for repayment of the loan,*

*(5) The issuance of standard state bonds in connection with the loan would violate the Constitution, or*

*(6) It would not be financially feasible or wise for the state to make the requested loan.*

**Subd. 2. [STATE PROJECTS.]** *The commissioner may issue standard state bonds pursuant to the provisions of sections 1 to 9 to finance state projects if he determines that the project has been authorized by the legislature in accordance with the provisions of Article XI, Section 7, of the Constitution.*

**Subd. 3. [LOAN RULES].** *The commissioner may promulgate and adopt any rules he deems necessary regarding loan applications, the granting of loans, and administration of this program.*

**Sec. 3. [MINNESOTA STANDARD STATE DEBT FUND.]** *For the purpose of providing an alternative financing mechanism to the state and to political subdivisions in lieu of the direct issuance of bonds by subdivisions, the Minnesota standard state debt 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 hereby appropriated to the commissioner for use at any time. The commissioner shall utilize these appropriated funds only (1) for loans to political subdivisions as provided in sections 1 to 9; (2) for state projects to be financed*

by state bonds consistent with Article XI of the Constitution, and appropriations made pursuant to this section. Funds appropriated shall not cancel and shall remain available for expenditure.

**Sec. 4. [MINNESOTA STANDARD STATE BONDS.]** Subdivision 1. **[AUTHORIZATION.]** For the purpose of providing money appropriated to the commissioner from the Minnesota standard state debt fund for financing state projects authorized by the legislature and for the implementation of the loan program established by sections 1 to 9, the commissioner shall issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith, credit, and taxing powers of the state are irrevocably pledged. The proceeds of the bonds shall be credited to the Minnesota standard state debt fund, except that accrued interest and any premium received on sale of the bonds shall be credited to the state bond fund account established in subdivision 7, together with any additional sum directed to be so credited by any law authorizing an issue of the bonds. Bonds shall be issued pursuant to this section only as authorized by subdivision 9 or by another law adopted in accordance with the provisions of the Constitution, Article XI, Section 7. Any law authorizing the issuance of bonds shall, together with this section, constitute complete authority for the issue, and the bonds shall not be subject to restrictions or limitations contained in any other law.

**Subd. 2. [MANNER OF ISSUE.]** Upon issue by the commissioner, the state board of investment, as fiscal agent, shall market Minnesota standard state bonds in the ways the board deems appropriate. The board may offer the bonds for sale, either to the public or on a private placement basis, to individual investors, institutional investors, syndicated investors and other investors. The board may also form and market unit tax exempt bond pools composed of Minnesota standard state bonds. These units may be sold to any person to whom the bonds may be offered for sale pursuant to this subdivision. The board shall determine the sales price and interest rate of the bonds to be sold and may request the advice of the commissioner, or others, in making this determination. Notwithstanding the provisions of any law to the contrary, if the board determines to purchase Minnesota standard state bonds for its own accounts, if necessary to effect the marketing of the bonds and not for long-term investment, that determination satisfies any standards of prudence required of the board in its investment decisions if any lower return realized by the purchase compared with the investment return that would otherwise be realized is compensated for by marketing fees credited to the account whose funds are so invested.

**Subd. 3. [PURCHASE BY FINANCIAL INSTITUTIONS.]** Notwithstanding any provision of law to the contrary, purchase by a financial institution of a Minnesota standard state bond that may be sold without rating by a national rating service satisfies any rating requirement imposed by law on the institution for its investments.

**Subd. 4. [FORM AND NATURE OF BONDS.]** The bonds

shall be issued and sold upon the notice, at the times, in the form and denominations maturing on the dates, either without option of prior payment of subject to prepayment upon the notice and at the times and prices, payable at the bank or banks, within or without the state, with the 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 further rules, as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of the Minnesota administrative procedure act. Each bond shall mature within 20 years from its date of issue, shall be sold at not less than par plus accrued interest, and 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 signature of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon. The commissioner may issue uncertificated securities in accordance with the provisions of Article VIII of the Uniform Commercial Code.

Subd. 5. [BONDHOLDER INDEMNIFICATION.] The commissioner, subject to the approval of the attorney general, shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions and things necessary to make them valid and binding obligations of the state of Minnesota in accordance with their terms. The state shall be a self-insurer as to errors by any state official affecting the validity or tax exempt status of any Minnesota standard state bond. The state shall hold harmless and indemnify any person directly suffering loss due to an error as described in this subdivision. There is hereby appropriated to the commissioner from the general fund, as an open, standing appropriation, amounts sufficient at any time to carry out the provisions of this subdivision.

Subd. 6. [PARTIAL REDEMPTION.] If in any case a portion of the debt underlying an issue of Minnesota standard state bonds is defective because it is unauthorized, or is invalid as a basis for tax exempt status, or in any way impairs the value or validity of a Minnesota standard state bond, the defect shall be allocated by the commissioner of finance to a portion of the particular bond issue equal to the amount of the defect. Without impairing the rights of any person as provided in subdivision 5, the bonds to which the defect is allocated under this subdivision shall be redeemed and damages shall be paid as specified in subdivision 5. Bonds in the remaining portion of the issue shall not be affected in any way by the redemption or by the defect which caused the redemption.

Subd. 7. [ISSUANCE AND MARKETING EXPENSES.] All expenses incidental to the sale, printing, execution, marketing and delivery of bonds pursuant to this section, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for these purposes, shall be deducted from the Minnesota standard state bond fund, and

paid and appropriated for expenditure to the state officials or entities incurring the expense, and the amounts necessary therefor are appropriated from the fund; provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, these expenses shall be limited to the amount so appropriated.

**Subd. 8. [MINNESOTA STANDARD STATE BOND ACCOUNT.]** The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account which shall be designated as the Minnesota standard state bond account, to record receipts and disbursements of money transferred to the fund to pay Minnesota standard state bonds and income from the investment of the money, which income shall be credited to the account in each fiscal year. The amounts directed by section 4 to be transferred to this bond account are appropriated thereto, and the legislature may also appropriate to the bond account any other money in the state treasury not otherwise appropriated. On November 1 of each year there shall be transferred to the bond account all of the money then available under any appropriation or a lesser sum as will be sufficient, with all money previously transferred to the account and all income from the investment of the money, and all payments by political subdivisions, to pay all principal and interest then and theretofore due and all principal and interest to become due to and including July 1 in the second ensuing year on Minnesota standard state bonds. All money so transferred and all income from the investment thereof shall be available for the payment of the bonds and interest thereon, and so much thereof as may be necessary is appropriated for these payments. The state auditor and treasurer are directed to make the appropriate entries in the accounts of the respective funds.

**Subd. 9. [TAX LEVY.]** On or before December 1 in each year the state auditor shall levy on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore credited to the Minnesota standard state bond account, to pay the entire amount of principal and interest then and theretofore due and principal and interest to become due on or before July 1 in the second year thereafter on Minnesota standard state bonds. This tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of section 273.13, subdivisions 6 and 7, and shall be subject to no limitation of rate or amount until all these bonds and interest thereon are fully paid. The proceeds of this tax are appropriated and shall be credited to the state bond fund, and the principal of and interest on the bonds are payable from the proceeds, and the whole thereof, or so much as may be necessary, is appropriated for the payments. If at any time there is insufficient money from the proceeds of taxes to pay the principal and interest when due on Minnesota standard state bonds, the principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated, with the sums from tax levies and the general fund subject to future reimbursement to the bond fund by the Minnesota standard state bond account as indicated in section 2.

*Subd. 10. [BOND AUTHORIZATION.] For the purpose of providing funds to the commissioner for establishment and implementation of the loan programs created pursuant to sections 1 to 9, the commissioner is authorized to sell and issue Minnesota standard state bonds in the manner and upon the conditions provided in sections 1 to 9 and in Article II, Section 7 of the Constitution. The proceeds of the bonds, except premium and accrued interest, are appropriated to the Minnesota standard state debt fund in the general fund, for expenditure by the commissioner for the purpose for which the bonds are authorized in accordance with the provisions of section 2. In order to reduce the amount of taxes otherwise required by the Constitution and by subdivision 9 to be levied for the payment of interest and principal on the bonds, there is also appropriated annually to the Minnesota standard state bond account in the state bond fund from the general fund a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in the bond account, to pay all principal and interest due and to become due on the bonds to and including July 1 in the second ensuing year. The money received and on hand pursuant to this annual appropriation is available in the state bond fund prior to the levy of the tax in any year required by the Constitution and by subdivision 9 and shall be used to reduce the amount of the tax otherwise required to be levied.*

*Sec. 6. [PAYMENTS TO POLITICAL SUBDIVISIONS.] Subdivision 1. [AUTHORIZATION; CONDITIONS.] The commissioner may loan monies from the Minnesota standard state debt fund to any qualifying political subdivision provided that the commissioner on behalf of the state and the authorized representatives of the political subdivision enter into an agreement which shall among other things provide that:*

*(1) The political subdivision is irrevocably bound to repay the loan in full,*

*(2) The political subdivision shall hold the state of Minnesota and its officers and employees harmless from any claim, cause of action or damages arising from the political subdivision's misapplication of loaned funds, and*

*(3) The books, records and accounts of the political subdivision shall be available during business hours at any time for inspection by either the commissioner or state auditor.*

*Subd. 2. [WITHHOLDING BY COMMISSIONER.] Prior to the issuance of any loan to a political subdivision, the commissioner shall deduct and withhold therefrom an amount sufficient, when added to the balance on hand in the portion of the bond account dedicated to debt service for the subject loan, to pay all principal and interest due and to become due on the bonds issued for the particular loan to and including July 1 in the second ensuing year. All funds so withheld shall be placed in the Minnesota standard state bond account in the state bond fund and are appropriated for expenditure at any time for debt service on Minnesota standard state bonds.*

**Sec. 7. [REPAYMENT BY POLITICAL SUBDIVISIONS.]** *Political subdivisions receiving loans pursuant to sections 1 to 9 shall proceed to obtain repayment funds and transmit those funds to the state in the same manner as if the political subdivisions had directly issued bonds for the purposes for which they obtained loans from the Minnesota standard state debt fund. Provided, however, that in addition to the initial withholding undertaken by the commissioner pursuant to section 6, each loan recipient shall, not later than October 15 of each year, transmit to the commissioner a loan repayment sum sufficient in amount, when added to the balance on hand in the bond account, to pay all principal and interest due and to become due on the bonds issued for the subject loan to and including July 1 in the second ensuing year. All funds so transmitted shall be placed in the Minnesota standard state bond account in the state bond fund and are appropriated for expenditure at any time for debt service on Minnesota standard state bonds.*

**Sec. 8. [CERTIFICATES OF INDEBTEDNESS.]** *Whenever the state auditor would otherwise be required to levy a property tax to pay obligations incurred under sections 1 to 9, and there is a reasonable expectation that the obligations will be paid from appropriations or payments by political subdivisions pursuant to section 7, the commissioner may issue certificates of indebtedness as authorized by Article XI, Section 6 of the Minnesota Constitution in an amount sufficient to avoid the necessity of a property tax levy.*

**Sec. 9. [DEFAULT.]** *If a political subdivision defaults on repayment of any loan financed through Minnesota standard state bonds, the state auditor shall cause taxes to be levied on the real property of the defaulting political subdivision in an amount sufficient to make overdue payments plus interest equal to one percent more than the average annual rate of interest on Minnesota standard state bonds issued during the proceeding calendar year and to make future loan payments as they become due. All funds generated from this levy shall be transmitted to the state, placed in the Minnesota standard state bond account in the state bond fund and are appropriated for expenditure at any time for debt service on Minnesota standard state bonds.*

**Sec. 10. [APPROPRIATIONS.]** *For the biennium ending June 30, 1981, the sum of \$150,000 is appropriated to the commissioner for the issuance of Minnesota standard state bonds.*

**Sec. 11. [EFFECTIVE DATE.]** *This article is effective the day following final enactment. To facilitate the prompt implementation of this loan program, the commissioner is authorized to promulgate temporary rules pursuant to the provisions of the administrative procedures act."*

Amend the title as follows:

Page 1, line 31, after the semicolon, insert "authorizing the issuance of Minnesota standard state bonds for political subdivisions and state projects; appropriating money;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 12 and nays 50, as follows:

Those who voted in the affirmative were:

Coleman	Johnson	Luther	Merriam	Spear
Davies	Keefe, J.	McCutcheon	Perpich	Stumpf
Hughes	Kleinbaum			

Those who voted in the negative were:

Anderson	Gearty	Laufenburger	Penny	Sillers
Bang	Gunderson	Lessard	Peterson	Solon
Barrette	Hanson	Menning	Pillsbury	Staples
Benedict	Humphrey	Moe	Purfeerst	Stern
Bernhagen	Jensen	Nelson	Renneke	Stokowski
Brataas	Keefe, S.	Nichols	Rued	Strand
Chmielewski	Kirchner	Ogdahl	Schmitz	Ueland, A.
Dunn	Knaak	Olhoft	Setzepfandt	Ulland, J.
Engler	Knoll	Olson	Sieloff	Vega
Frederick	Knutson	Omann	Sikorski	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. McCutcheon moved that H. F. No. 1121 be laid on the table. The motion prevailed.

#### RECESS

Mr. Coleman moved that the Senate do now recess until 8:00 o'clock p.m. The motion prevailed.

The hour of 8:00 o'clock p.m. having arrived, the President called the Senate to order.

#### MEMBERS EXCUSED

Mr. Knutson was excused from the Session of today from 2:00 to 3:10 o'clock p.m.

#### CALL OF THE SENATE

Mr. Keefe, S. imposed a call of the Senate. The following Senators answered to their names:

Anderson	Engler	Knaak	Omann	Stern
Bang	Frederick	Knutson	Penny	Stokowski
Barrette	Gearty	Lessard	Perpich	Strand
Benedict	Gunderson	Luther	Pillsbury	Stumpf
Bernhagen	Hanson	Menning	Renneke	Ueland, A.
Brataas	Humphrey	Nelson	Rued	Ulland, J.
Chmielewski	Johnson	Nichols	Sieloff	Vega
Coleman	Keefe, S.	Ogdahl	Sikorski	Willet
Davies	Kirchner	Olhoft	Sillers	
Dieterich	Kleinbaum	Olson	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Without objection, the Senate reverted to the Order of Business of Messages From the House, First Reading of House Bills and Reports of Committees.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 2476 and 2470.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1980

## FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H. F. No. 2476: A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; appropriating money; amending Minnesota Statutes 1978, Sections 3A.03, Subdivision 2; 3A.04, Subdivisions 3 and 4; 15.0597, Subdivisions 3, 4, 5, 6 and 7; 15.50, Subdivision 1; 16.854, Subdivision 1; 16A.131, by adding a subdivision; 16A.67, Subdivision 1; 16A.721; 43.005, by adding a subdivision; 43.05, Subdivision 2; 43.062, Subdivisions 1, 2 and 3; 43.065; 43.067, Subdivision 2; 43.068; 43.323, Subdivisions 1 and 2; 43.35; 62D, by adding a subdivision; 82.34; 90.195; 94.10, Subdivision 1; 94.16; 121.90; 121.902, Subdivision 1; 121.906, Subdivision 2; 121.908; 121.912, Subdivision 2; 121.914, Subdivision 1; 136.81, Subdivision 1; 145.913, Subdivision 3; 214.06, Subdivision 1; 216.16; 216A.01; 216A.03, Subdivision 3, and by adding a subdivision; 216A.04, Subdivisions 1 and 3, and by adding a subdivision; 216A.05, Subdivisions 4 and 5; 216A.07; 216B.17, Subdivision 1; 216B.19; 216B.54; 216B.62, Subdivisions 2 and 3; 216B.64; 237.02; 237.12; 237.295, Subdivisions 1 and 2; 246.014; 352.01, Subdivision 2B; 352.04, Subdivision 5; 352.73, Subdivision 3; 352B.25; 352C.04, Subdivision 3; 352C.09, Subdivision 2; 353.83; 354.55, Subdivision 5; 355.46, Subdivision 3; 355.50; 403.11, Subdivision 3; 473.408, Subdivision 3; 490.123, Subdivision 1; and Chapters 16, by adding sections; 16A, by adding sections; 97, by adding a section; 121, by adding sections; 216A, by adding a section; 246, by adding a section; 253A, by adding a section; 256, by adding a section; 259, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 3.3005, Subdivision 4; 15A.083, Subdivision 4; 16A.126; 174.28, Subdivision 2; 43.09, Subdivision 2a; 43.24; 82.81, Subdivision 1; 121.917, Subdivision 4; 354A.12, Subdivision 2; 422A.101, Subdivision 3; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5; 301, Section 3 by adding a subdivision; repealing Minnesota Statutes 1978, Sections 3A.11, Subdivision 3; 43.03; 43.06; 121.92, Subdivision 1; 216B.62, Subdivision 1; 352.73, Subdivision 4; 354.43, Subdivision 2; 490.025, Subdivision 8; Minnesota Statutes, 1979 Supplement, Sections 16.93; 16.965; 121.92, Subdivision 2; and Laws 1979, Chapter 217, Section 11.

Mr. Moe moved that H. F. No. 2476 be laid on the table. The motion prevailed.

H. F. No. 2470: A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; authorizing purchase and sale of public lands and buildings; appropriating money.

Mr. Moe moved that H. F. No. 2470 be laid on the table. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1794 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1794	1686				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1794 be amended as follows:

Strike all the language after the enacting clause of H. F. No. 1794 and insert the language after the enacting clause of S. F. No. 1686, as amended by the Committee on Judiciary, adopted by the Senate March 20, 1980; further, strike the title of H. F. No. 1794 and insert the title of S. F. No. 1686, as amended.

And when so amended H. F. No. 1794 will be identical to S. F. No. 1686, and further recommends that H. F. No. 1794 be given its second reading and substituted for S. F. No. 1686, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. No. 2122, 2067 and 1949 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2122	2295				
2067	2353				
1949	2338				

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 2302 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2302	2284				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2302 be amended as follows:

Strike all the language after the enacting clause of H. F. No. 2302 and insert the language after the enacting clause of S. F. No. 2284, as amended by the Committee on Commerce, adopted by the Senate March 20, 1980; further, strike the title of H. F. No. 2302 and insert the title of S. F. No. 2284.

And when so amended H. F. No. 2302 will be identical to S. F. No. 2284, and further recommends that H. F. No. 2302 be given its second reading and substituted for S. F. No. 2284, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1896 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1896	2149				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1896 be amended as follows:

Strike all the language after the enacting clause of H. F. No. 1896 and insert the language after the enacting clause of S. F. No. 2149, as amended by the Committee on Judiciary, adopted by the Senate March 20, 1980; further, strike the title of H. F. No. 1896 and insert the title of S. F. No. 2149, as amended.

And when so amended H. F. No. 1896 will be identical to S. F. No. 2149, and further recommends that H. F. No. 1896 be given its second reading and substituted for S. F. No. 2149, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1816, 1835, and 1190 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1816	1944				
1835	1680				
1190	1940				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1816 be amended as follows:

Page 1, after line 28, insert:

“Section 1. Minnesota Statutes 1978, Section 241.022, Subdivision 1, is amended to read:

241.022 [GRANTS-IN-AID TO COUNTIES FOR DETENTION FACILITIES.] Subdivision 1. [AUTHORIZATION TO MAKE GRANTS.] For the purpose of assisting counties to construct or rehabilitate local detention facilities and to assist groups of counties in the construction or rehabilitation of regional jails and lockups, work houses, ~~or work farms~~, and detention and treatment facilities for adult offenders, youthful offenders, and delinquent children, and to aid such counties in developing and maintaining adequate programs and personnel for the education, training, treatment and rehabilitation of persons admitted to such institutions, the commissioner of corrections is hereby authorized and empowered, out of any money appropriated for the purposes of this section, to make grants to such counties. The commissioner may also receive grants of funds from the federal government or any other lawful source for the purpose of this section, and such funds are hereby appropriated annually to the commissioner.

Sec. 2. Minnesota Statutes 1978, Section 243.91, is amended to read:

243.91 [TRANSFER OF WOMEN CONVICTS.] When special

circumstances warrant, or when the chief executive officer of any county jail, or workhouse or workfarm shall determine that any female inmate of such *the* facility over the age of 18 years cannot be safely maintained therein or whose presence is detrimental to the internal discipline and well-being of such *the* institution or that such *the* inmate can benefit from the treatment, care and training available at the state institution, ~~he~~ *the chief executive officer* may, with the consent of the commissioner of corrections and the sentencing court, transfer such *the* female inmate to the "Minnesota correctional institution for women" for confinement, care, treatment and training therein according to the sentence imposed by the court. Such *The* transfer shall be made in accordance with rules prescribed by the commissioner.

The commissioner of corrections may contract with the political subdivision operating and maintaining the jails, or workhouses or workfarms from which such *the* selected female inmates are transferred to the state institution for reimbursement to the state for all costs and expenses incurred for the care, custody, subsistence, treatment, and training of such *the* transferees.

The chief executive officer of the transferring institution shall send with such *the* transferee a duly certified copy of the warrant or order of commitment under which such *the* inmate is held, together with such other data as the commissioner of corrections may require, and such *the* warrant or order of commitment shall constitute sufficient authority for the commissioner to hold such *the* inmate on behalf of the sending *transferring* institution."

Page 1, line 29, delete "Section 1." and insert "Sec. 3."

Page 2, line 3, after "*probate court*" delete the comma

Page 2, after line 14, insert:

"Sec. 4. Minnesota Statutes 1978, Section 588.10, is amended to read:

588.10 [PENALTIES FOR CONTEMPT OF COURT.] Upon the evidence so taken, the court or officer shall determine the guilt or innocence of the person proceeded against and, if he is adjudged guilty of the contempt charged, ~~he~~ *the person* shall be punished by a fine of not more than \$250, or by imprisonment in the county jail, or workhouse, or work farm for not more than six months, or by both. In case of his inability to pay the fine or endure the imprisonment, ~~he~~ *the person* may be relieved by the court or officer in such *a* manner and upon such *any* terms as may be just.

Sec. 5. Minnesota Statutes 1978, Section 609.105, Subdivision 3, is amended to read:

Subd. 3. A sentence to imprisonment for a period of one year or any lesser period shall be to a workhouse, work farm, county jail, or other place authorized by law.

Sec. 6. Minnesota Statutes 1978, Section 609.135, Subdivision 4, is amended to read:

Subd. 4. The court may, as a condition of probation, require the defendant to serve up to one year incarceration in a county jail, a county regional jail, a ~~county workfarm~~, county workhouse or other local correctional facility. The court may allow the defendant the work release privileges of section 631.425 during the period of incarceration.

Sec. 7. Minnesota Statutes 1978, Section 631.461, is amended to read:

631.461 [SENTENCES OF CONVICTS.] When a sentence may be imprisonment in a county jail, the offender may be sentenced to and imprisoned in a workhouse, ~~or workfarm~~ if there be one in the county where he is tried or where the offense was committed, and if there be no workhouse ~~or workfarm~~ in the county where the offender is tried or where the offense was committed, then the offender may be sentenced to and imprisoned in a workhouse ~~or workfarm~~ in any county in this state; provided, that the county board of the county where the offender is tried shall have some agreement for the receipt, maintenance, and confinement of the prisoners with the latter county. The place of imprisonment shall be specified in the sentence. Convicts may be removed from one place of confinement to another when so provided by statute."

Page 2, line 15, delete "2" and insert "8"

Page 2, line 30, delete "3" and insert "9"

Page 3, line 9, delete "4" and insert "10"

Page 3, line 18, delete "5" and insert "11"

Page 4, line 4, delete "6" and insert "12"

Page 4, line 25, delete "7" and insert "13"

Page 4, line 27 to page 5, line 2, delete

"641.16 [BIBLES.] Every keeper of a jail shall provide for each prisoner able and willing to read ~~the same~~ *it* a copy of the Bible ~~or the sacred book of another religion~~, at the expense of the county, and any ~~clergy minister of the gospel~~ desirous of giving moral and religious instruction to ~~requesting~~ prisoners shall have access to them at proper times. All ~~immoral books and papers and those largely composed of accounts of crime~~ shall be excluded from every jail"

And insert:

"641.16 [BIBLES.] Every keeper of a jail shall provide for each prisoner able and willing to read ~~the same~~ *it* a copy of the Bible, at the expense of the county; and any ~~minister of the gospel~~ desirous of giving moral and religious instruction to prisoners shall have access to them at proper times. All ~~immoral books and papers and those largely composed of accounts of crime~~ shall be excluded from every jail."

Page 5, delete lines 3 to 21

Page 5, line 22, delete "9" and insert "14"

Page 5, line 28, delete "10" and insert "15"

Page 6, line 6, delete "11" and insert "16"

Page 6, line 22, delete "12" and insert "17"

Page 6, line 29, delete "13" and insert "18"

Page 7, line 20, delete "14" and insert "19"

Page 8, delete lines 5 to 16

Page 8, line 17, delete "16" and insert "20"

Page 8, line 19, delete "BETWEEN JAIL AND" and insert "FROM JAIL TO"

Page 8, line 22, strike ", correctional or work farm"

Page 8, line 23, delete "and a county"

Page 8, line 24, delete "jail," and "court or county court"

Page 8, lines 27 and 28, reinstate "for sufficient cause"

Page 8, lines 28 and 29, delete "in accordance with written county policy approved by the commissioner of corrections" and delete the colon

Page 8, line 30, delete "(1)"

Page 8, line 31, reinstate "of"; after "such" insert "the"; reinstate "county"; after "sentence" reinstate "to"; after "such" insert "the" and reinstate "jail by any"

Page 8, line 32, reinstate "district judge, justice of the peace or municipal judge"

Page 8, line 33, reinstate "from"; after "such" insert "the"; and reinstate "county jail"

Page 9, line 1, strike ", correctional or work farm"

Page 9, line 2, after "such" insert "the"

Page 9, line 3, reinstate "prisoner was originally" and delete "; or" and insert a period

Page 9, delete lines 4 to 14

Page 9, line 15, delete "17" and insert "21"

Page 9, line 17, delete "COURT OR COUNTY COURT"

Page 9, line 18, strike "any" and after "such" insert "a"

Page 9, line 19, delete "court or county court"

Page 9, line 20, reinstate "from the county jail to"

Page 9, line 21, after "any such" insert "the"; reinstate "work-house"

Page 9, lines 21 and 22, delete "as provided in section 643.01,"

Page 9, line 24, reinstate "to" and after "such" insert "the"

Page 9, line 25, reinstate "county jail" and delete "or convicted" and "or"

Page 9, line 26, delete "conviction"

Page 9, line 27, delete "or convicted"

Page 9, line 28, reinstate the stricken comma and delete "and" and reinstate the second stricken comma and delete "or"

Page 9, line 29, delete "the sentencing date if known,"

Page 9, lines 30 and 31, reinstate the stricken language

Page 9, line 33, strike ", correctional or work farm," and delete "or"

Page 10, line 1, delete "sheriff or other keeper of the county jail"

Page 10, lines 3 and 4, delete "or until further sentencing proceedings,"

Page 10, lines 6 and 7, strike ", correctional or work farm" and delete ", or county jail"

Page 10, lines 7 and 8, reinstate "and recommitment"

Page 10, line 9, strike "correctional or work farm" and delete ", or county jail"

Page 10, line 10, reinstate the stricken comma, after "sheriff" reinstate "of" and after "such" insert "the" and reinstate "county"

Page 10, lines 11 and 12, delete "or superintendent or other keeper of the workhouse, correctional or work farm"

Page 10, lines 13 and 14, delete ", or superintendent or other keeper of the workhouse, correctional or work farm"

Page 10, line 15, reinstate "and recommitment in"

Page 10, line 16, reinstate "his possession" and ", at the expense of"

Page 10, line 17, reinstate "the county"

Page 10, line 19, reinstate "and recommitment"

Page 10, lines 21 and 22, strike ", correctional or work farm" and delete ", or sheriff or other keeper of the jail"

Page 10, lines 24 and 25, delete "or until further sentencing proceedings"

Page 10, line 27, reinstate "and recommitment"; strike "any" and after "such" insert "a"

Page 10, lines 30 and 31, delete "or as the order for confinement issued by the court in the first instance"

Page 10, line 33, reinstate ", at hard labor."

Page 11, lines 2 and 3, strike "correctional or work farm" and delete ", or the sheriff or other keeper of the jail"

Page 11, line 5, strike ", correctional or work farm" and delete ", or county jail"

Page 11, line 6, delete "court or county court"

Page 11, line 7, delete "the" and insert "a" and strike the comma

Page 11, line 8, strike "correctional or work farm" and delete ", and county jail"; reinstate "is" and delete "are"

Page 11, line 9, delete ", or superintendent,"

Page 11, line 11, delete "or order"

Page 11, line 12, delete "18" and insert "22"

Page 11, line 16, after "jail" strike the comma and insert "or"; after workhouse" delete ", or correctional work farm"

Page 11, line 22, strike the comma and insert "or" and strike "or"

Page 11, line 23, strike "correctional work farm"

Page 11, line 32, delete "19" and insert "23"

Page 11, line 32 to Page 12, line 2, delete "Laws 1925, Chapter 12; Laws 1927, Chapter 142, Minnesota Statutes 1945, Sections 643.21, 643.22, 643.23, 643.24, 643.25, 643.26, 643.27, and 643.28; and"

Amend the title as follows:

Page 1, lines 4 to 6, delete "clarifying provisions penalizing the possession of contraband in local correctional facilities;"

Page 1, lines 7 to 11, delete "providing for establishing and organizing court administrative structure; budgeting and operation of court services, probation, juvenile detention and correctional facilities by counties;"

Page 1, line 12, after "Sections" insert "241.022, Subdivision 1; 243.91;"

Page 1, line 13, after "Subdivision 3;" insert "588.10; 609.105, Subdivision 3; 609.135, Subdivision 4; 631.461;"

Page 1, line 14, delete "641.165, Subdivision 2;"

Page 1, line 16, delete "642.12;"

Page 1, lines 17 to 20, delete "Laws 1925, Chapter 12; Laws 1927, Chapter 142; Minnesota Statutes 1945, Sections 643.21; 643.22; 643.23; 643.24; 643.25; 643.26; 643.27; 643.28; and"

And when so amended H. F. No. 1816 will be identical to S. F. No. 1944, and further recommends that H. F. No. 1816 be given its second reading and substituted for S. F. No. 1944, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1835 be amended as follows:

Delete page 5, line 23 to page 7, line 25

Amend the title as follows:

Page 1, delete lines 8 to 11

Page 1, line 13, after "4;" insert "and" and after "13" delete "; and" and insert a period

Page 1, delete lines 14 to 16

And when so amended H. F. No. 1835 will be identical to S. F. No. 1680, and further recommends that H. F. No. 1835 be given its second reading and substituted for S. F. No. 1680, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1190 be amended as follows:

Page 2, line 8, delete "*three-fourths mile*" and insert "*three-quarters of a mile*"

Page 4, line 28, delete "[116.115]"

Page 4, line 29, delete "*Subdivision 1.*" and delete "*as contained*"

Page 4, line 30, delete "*and*" and insert a comma after "*161.115*"

Page 4, line 32, delete "*Subd. 2.*" and insert "*The*"

Page 5, line 1, delete "*route specified in Subdivision 1*" and insert "*Route No. 327*"

And when so amended H. F. No. 1190 will be identical to S. F. No. 1940, and further recommends that H. F. No. 1190 be given its second reading and substituted for S. F. No. 1940, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1451 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1451	2291				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1451 be amended as follows:

Page 1, line 14, delete "exchange,"

Page 2, line 33, delete "Southeast" and insert "Southwest"

Page 4, line 30, delete "sight" and insert "right"

Page 11, after line 2, insert

"[85.012] [Subd. 49a.] Subd. 8. [ST. CROIX WILD RIVER STATE PARK.] The following areas are added to St. Croix Wild River State Park:

All of the Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter in Section 36, Township 36 North, Range 20 West.

That part of the Northwest Quarter of the Southeast Quarter in Section 36, Township 36 North, Range 20 West, lying southerly of the following described line: Beginning at a point on north line of the said Northwest Quarter of the Southeast Quarter, 176 feet West of the northeast corner of the said Northwest Quarter of the Southeast Quarter; thence southwesterly in a straight line to a point on the west line of said Northwest Quarter of the Southeast Quarter, 564 feet North of the southwest corner of the said Northwest Quarter of the Southeast Quarter and there terminating.

That part of the Southwest Quarter of the Southwest Quarter in Section 36, Township 36 North, Range 20 West, lying southerly of the following described lines: Beginning at a point of the east line of the Southwest Quarter of the Southwest Quarter, a distance of 86 feet South of the northeast corner thereof; thence South 59 degrees 34 minutes West, 370 feet; then South 76 degrees 28 minutes West, 555 feet; thence South 59 degrees 45 minutes West, 540 feet to a point on the west line of said Southwest Quarter of the Southwest Quarter, a distance of 587 feet north of the southwest corner thereof and there terminating. The Northwest Quarter of the Northwest Quarter in Section 3, Township 35 North, Range 20 West."

Page 11, line 3, delete "8" and insert "9"

Page 12, line 2, delete "9" and insert "10"

Page 13, line 26, delete "[85.012] [Subd. 59.]" and "Subdivision 1."

Page 13, line 27, after "LANDS.]" insert "Subdivision 1. Upon compliance with the requirements set forth in this section"

Page 13, line 29, delete "Whitewater State Park," and insert "the park"

Page 13, line 32, delete "(SW $\frac{1}{4}$  SW $\frac{1}{4}$  SW $\frac{1}{4}$ )"

Page 14, line 1, delete "(S $\frac{1}{2}$  N $\frac{1}{2}$  NE $\frac{1}{4}$ )"

Page 14, line 3, delete "(S $\frac{1}{2}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$ )"

Page 14, line 5, delete "(W $\frac{1}{2}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$ )"

Page 14, line 7, delete "(W $\frac{1}{2}$  SW $\frac{1}{4}$  SE $\frac{1}{4}$ )"

Page 14, line 10, delete "[SCENIC EASEMENTS.]"

Page 14, line 11, delete "exclusion" and insert "removal"

Page 14, line 13, delete "such" and insert "the"

Page 14, line 13, delete "consent to" and insert "grant" and after "easement" insert a comma

Page 14, line 15, after "1," insert "on the property to the commissioner of natural resources,"

Page 14, line 16, delete "commissioner's office" and insert "commissioner" and after "prepare" insert "an easement agreement"

Page 14, lines 17 and 18, delete "such an easement agreement"

Page 14, line 21, delete the semicolon and insert a comma

Page 14, line 25, delete the semicolon and insert a comma

Page 14, line 28, delete the comma

Page 14, line 31, delete "easement agreements" and insert "any agreement made pursuant to this section"

Page 14, line 32, delete "[PURCHASE AUTHORIZED.]"

Page 15, line 1, delete "make an"

Page 15, line 3, delete "accepted by" and after "owner" insert "sells the property to"

Page 15, line 4, delete "may purchase the land and when acquired" and insert a comma

Page 15, line 5, delete "extended" and insert "changed"

Page 15, line 7, delete "[TRAIL EASEMENTS.]"

Page 15, line 8, after "negotiation" insert a comma

Page 15, line 9, delete "with the affected landowner"

Page 15, line 11, delete "by subdivision 1" and insert "pursuant to this section"

Page 15, delete lines 12 to 28 and insert

"Sec. 4. The commissioner of natural resources, in the name of the state, may quitclaim and convey the following described state lands included in Traverse des Sioux state park to the city of St. Peter on the condition that the city agrees to operate and maintain the same as a public park. The lands shall be conveyed in such form as the attorney general shall prescribe and the conveyance shall contain a provision that the lands shall revert to the state in the event the city fails to maintain and operate the same as a public park:

All those parts and portion of Government Lot 6 in Section 10 and of Government Lot 4 in Section 15 lying westerly of the Minnesota River as the same now exists, all in Township 110 North, Range 26 West.

All those parts and portion of Government Lot 5 in Section 10 and the Northwest Quarter of the Northeast Quarter in Section 15, lying westerly of the Minnesota River as the same now exists, all in Township 110 North, Range 26 West.

All that part of the south 40.80 acres of Government Lot 7, Section 10, Township 110 North, Range 26 West, lying easterly of the easterly right-of-way line of U.S. 169. Said south 40.80 acres being platted into Blocks 1 through 17, inclusive and Block A of McLeod's addition to Traverse.

All of Government Lot 9 and Government Lot 8, except the North 20 acres of Government Lot 8, Section 10, Township 110 North, Range 26.

All of Government Lots 10 and 11, the Southwest Quarter of the Northwest Quarter, the north 20 acres of Government Lot 7, and the North 20 acres of Government Lot 8, all in Section 10, Township 110 North, Range 26 West.

All of Lots 4, 5, 6 and 7 in Block 100 of the Town of Traverse des Sioux, South of Sibley Street, and that part of Lots 8, 9, 10 and 11 in Block 100 lying westerly of the west right-of-way line of Trunk Highway No. 169.

All that part of Lots 1 through 6, inclusive of Block 106. Fractional 107, and Lots 6 and 7 of Block 108 of Traverse des Sioux, south of Sibley Street, lying easterly of the easterly right-of-way of U.S. 169.

Also all that part of the following described land lying southerly of the northerly line of McCann Street:

Beginning at the southeasterly corner of Lot Six (6) of Block 116 on the north line of McCann Street in the town of Traverse des Sioux south of Sibley Street; thence southwesterly to a point where the west line of First or Main Street intersects the south line of McCann Street; thence westerly along said south line of McCann Street to the east line of Third Street; thence at right angles southerly along said east line of Third Street five hundred and ten (510) feet; thence at right angles easterly one hundred and fifty (150) feet to the north line of Rice Street; thence at right angles easterly along said north line of Rice Street five hundred and ten (510) feet; thence at right angles southerly to the east line of Section Nine (9), Township 110 North, Range 26 West; thence North along said section line to a point where the north line of McCann Street extended intersects the said Section line; thence westerly along the north line of McCann Street extended to the point of beginning; EXCEPTING the right-of-way of U.S. 169. Meaning hereby to convey part of the town plat of Traverse des Sioux vacated by the order of the District Court of said county on the 22nd day of May A.D. 1877.

Sec. 5. After the conveyance of lands described in section 4, the authority of the department of natural resources and its division of parks and recreation, or any successor thereto, to administer and control the following described historic site at Traverse

des Sioux is hereby withdrawn, and is hereby conferred upon the Minnesota Historical Society. The society shall exercise the general administration and control of such sites, preserve its historic features, conduct archaeological investigations, establish necessary interpretive centers, and perform such additional duties and services at the site as may be deemed necessary and beneficial:

All of Blocks Numbered 11, 12, 13, 18, 19, 20, 25, 26, 27, all being in Traverse des Sioux, North of Sibley Street, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Nicollet County, Minnesota.

**EXCEPTING THEREFROM:** Part of Block 27, Traverse des Sioux, North of Sibley Street, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Nicollet County, Minnesota, described as follows:

Commencing at the southeast corner of Block No. 27 in Traverse des Sioux, North of Sibley Street; thence westerly 100 feet parallel with the southerly boundary line of said Block 27; thence northerly parallel with the easterly boundary line of said Block 27 a distance of 200 feet; thence easterly parallel with the northerly boundary line of said Block 27, a distance of 100 feet; thence southerly along the easterly boundary line of said Block 27, a distance of 200 feet to the place of beginning, all according to the map or plat thereof on file and of record in the office of the Register of Deeds within and for Nicollet County, Minnesota. Said premises lying immediately north of the land owned by one Melvin Changler, on October 13, 1953.

All that part of Government Lot 8, Section 4, Township 110 North, Range 26 West, lying westerly of the Minnesota River as it now exists and easterly of the easterly right-of-way of U.S. Highway 169. Blocks 29, 30, 31, 32, 36, 37, 38, 39, 45, and 46, together with all vacated streets and alleys contiguous to or apart thereof as shown and vacated by those certain Orders and Decrees of the District Court of said Nicollet County dated October 20, 1914, October 11, 1927, and June 23, 1969, and recorded in the office of the Register of Deeds in and for said Nicollet County on January 4, 1915, in Book "34" of Deeds, on page 576, October 18, 1927, in Book "45" of Deeds, pages 558-559, and June 24, 1969, in Book "123" of Deeds, pages 199-200, respectively, all in Traverse des Sioux, North of Sibley Street, according to the plat thereof, on file in the office of the Register of Deeds in and for said Nicollet County,

**EXCEPTING THEREFROM:** The right-of-way of U.S. Highway 169. Also, that part of the following described lands lying easterly of U.S. 169:

Commencing on the west bank of the Minnesota River, at a point where an easterly extension of the south line of Ash Street in the town of Traverse des Sioux would intersect said river; thence running westerly along said south line of Ash Street to the east line of Third Street; thence at right angles southerly along said east line of Third Street to the north line of Thomson Street; thence at right angles easterly along said north line of Thomson

Street, 940 feet; thence southerly to and along the east line of Blocks 115 and 116 to an existing east-west fence located in Lot 8, Block 116; thence southerly along the east line of Block 116 to the southeasterly corner of Lot 6 in said Block 116 being on the north line of McCann Street; thence easterly along the northerly line of McCann Street extended to the east line of Section 9; thence north along said section line to the Minnesota River; thence along the west bank of said river to the place of beginning; meaning hereby to convey that part of the town plat of Traverse des Sioux vacated by the order of the District Court of said county on the 22nd day of May A.D., 1877. Excepting therefrom the existing U.S. Highway 169 right-of-way, in fee, to the State of Minnesota. Also all of Block 115 and that part of Block 112 lying east of the existing east right-of-way line of Trunk Highway 169, that part of Block 116 lying north of an existing east-west fence located in Lots 2 and 8 of said block, that part of Block 111 lying east of existing east right-of-way of Trunk Highway 169 and north of an existing east-west fence located in Lot 12 of said block. All in the town of Traverse des Sioux, according to the plat thereof.

Also, all of Lots 3, 4, 5, 6 and 7 in Block 116, and that part of Lot 2 and 8 in Block 116 lying southerly of the existing east-west fence. All of Lots 8, 9, 10, 11 in Block 111, and that part of Lot 12 in Block 111 lying southerly of the existing east-west fence. All the aforesaid Lots and Blocks in the town of Traverse des Sioux according to the plat thereof on file in the Office of the Register of Deeds in and for said County of Nicollet.

Sec. 6. After the conveyance of lands described in section 4, and in the manner provided in Minnesota Statutes 1978, Section 15.16, and other applicable law, the commissioners of natural resources shall transfer custodial control of lands in Traverse des Sioux state park, other than those described in sections 4 and 5 of this act, to the Minnesota department of transportation.

Sec. 7. Upon completion of the conveyance and transfers authorized by this act, Minnesota Statutes 1978, Section 85.012, Subdivision 56 is repealed."

Page 15, line 29, delete "5" and insert "8"

Amend the title as follows:

Page 1, line 4, after "acquisition" insert "and sales"

Page 1, line 5, after "thereto" insert "; discontinuing Traverse des Sioux state park; repealing Minnesota Statutes 1978, Section 85.012, Subdivision 56"

And when so amended H. F. No. 1451 will be identical to S. F. No. 2291, and further recommends that H. F. No. 1451 be given its second reading and substituted for S. F. No. 2291, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 1794, 2122, 2067, 1949, 2302, 1896, 1816, 1835, 1190 and 1451 were read the second time.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Tennesen introduced—

Senate Resolution No. 57: A Senate resolution relating to extending congratulations to the Polars girls' basketball team from Minneapolis North High School for finishing in third place in the Class AA Girls' State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Ueland, A. moved that S. F. No. 1978, on General Orders, be stricken and placed on the Consent Calendar. The motion prevailed.

Mr. McCutcheon moved that H. F. No. 1121 be taken from the table. The motion prevailed.

H. F. No. 1121: A bill for an act relating to taxation; updating the definition of gross income for income tax purposes for individuals, trusts and estates with certain modifications; providing for exempt-interest dividends for certain mutual funds; extending the political contribution credit to congressional and local candidates; clarifying certain definitions; providing a tax credit for energy conservation expenditures; clarifying the renewable energy source credit; increasing the dependent care credit; extending investment tax credits to family corporations; making certain changes in the minimum tax and in the treatment of small business corporations; allowing a ten year carryback of product liability losses; providing for deferral of certain gains recognized in the disposition of broadcasting property; reducing certain property tax classification ratios; increasing homestead credits; changing the property tax status of certain mobile homes; providing for delayed assessments for certain improvements; increasing homestead base value; providing a classification for neighborhood real estate trusts; adjusting levy limits and providing for certain special levies; providing for certain hearings and appeals on special assessments; clarifying property tax settlements; clarifying certain property tax refund filing due dates; extending eligibility for property tax refunds to certain claimants; providing for adjustment of property tax refunds due to abatements; providing state reimbursement for certain property; authorizing heat applied tax stamping machines; increasing the sales tax on retail sales from vending machines; providing a sales tax exemption for certain arts admissions; fixing maximum interest rates on public obligations; excepting certain debt obligations from public sales requirements; appropriating money; amending Minnesota Statutes 1978, Sections 124.212, Subdivision 2; 168.012, Subdivision 9; 273.13, Subdivisions 3 and 17b,

and by adding a subdivision; 275.51, by adding a subdivision; 275.52, Subdivisions 2 and 5; 276.04; 276.09; 276.10; 276.11; 290.01, by adding a subdivision; 290.09, Subdivisions 2, 24 and 28; 290.095, by adding a subdivision; 290.13, by adding a subdivision; 290.26, Subdivision 2; 290.49, Subdivision 10; 290.971, Subdivisions 1, 3 and 6; 290.972, Subdivisions 1, 3 and 5; 290A.06; 290A.11, by adding a subdivision; 290A.17; 290A.18; 290A.19; 297.03, Subdivision 6; 297A.02; 297A.25, Subdivision 1; 375.192, Subdivision 1; 429.061, Subdivisions 1 and 2; 429.081; 474.06; 475.55; 475.60, Subdivision 2; Chapters 273, by adding sections; and 298, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 273.122; 273.13, Subdivisions 4, 5a, 6, 7, 14a and 19; 275.50, Subdivision 5; 290.01, Subdivision 20; 290.06, Subdivisions 11 and 14; 290.067, Subdivisions 1 and 2; 290.09, Subdivision 3; 290.091; 290.095, Subdivision 1; 290.14; 290.17, Subdivision 1; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes 1978, Section 290.971, Subdivision 5; and Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16.

Mr. Barrette moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 8, strike line 28 and insert "\$12,000"

Page 8, line 29, strike "adjusted gross income exceeds \$17,000"

Page 8, line 32, strike "\$10,000" and insert "\$12,000"

Page 8, line 32, after the semicolon strike "this"

Page 8, strike line 33

Page 9, strike lines 1 and 2

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Omann	Solon
Ashbach	Gunderson	Laufenburger	Penny	Staples
Bang	Hanson	Lessard	Perpich	Stern
Barrette	Hughes	Luther	Pillsbury	Stokowski
Benedict	Humphrey	McCutcheon	Purfeerst	Strand
Bernhagen	Jensen	Menning	Renneke	Stumpf
Brataas	Johnson	Merriam	Rued	Tennessee
Chmielewski	Keefe, J.	Moe	Schaaf	Ueland, A.
Coleman	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Vega
Dunn	Kleinbaum	Ogdahl	Sieloff	Willet
Engler	Knaak	Olhoft	Sikorski	
Frederick	Knoll	Olson	Sillers	

The motion prevailed. So the amendment was adopted.

Mr. Rued moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 55, line 9, delete "\$28,000" and insert "\$33,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Peterson	Staples
Ashbach	Hanson	McCutcheon	Pillsbury	Stern
Bang	Hughes	Menning	Purfeerst	Stokowski
Barrette	Humphrey	Merriam	Renneke	Strand
Benedict	Johnson	Moe	Rued	Stumpf
Bernhagen	Keefe, J.	Nelson	Schaaf	Ueland, A.
Brataas	Kirchner	Nichols	Schmitz	Ulland, J.
Chmielewski	Kleinbaum	Ogdahl	Setzepfandt	Vega
Davies	Knaak	Olhoft	Sieloff	Willet
Dunn	Knoll	Olson	Sikorski	
Engler	Knutson	Omann	Sillers	
Frederick	Laufenburger	Penny	Solon	
Gearty	Lessard	Perpich	Spear	

Mr. Keefe, S. voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Ulland, J. moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 63, line 16, delete "*having a population of less than 100,000*" and insert "*other than a city of the first class*"

The motion prevailed. So the amendment was adopted.

Mr. Perpich moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Pages 83 and 84, delete sections 1 and 2 of Article V

Page 84, line 14, delete "*Sections 1, 2 and 3 are*" and insert "*Section 1 is*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, delete "increasing"

Page 1, line 17, delete "the state tax on gasoline;"

Page 2, line 3, delete "296.02, Subdivision 1;"

Page 2, line 25, delete "473.596;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Luther	Schaaf	Vega
Barrette	Johnson	Merriam	Sieloff	Willet
Benedict	Keefe, S.	Nelson	Sikorski	
Davies	Knaak	Perpich	Stokowski	
Dieterich	Knoll	Peterson	Stumpf	

Those who voted in the negative were:

Aahbach	Gearty	Knutson	Olson	Sillers
Bernhagen	Gunderson	Laufenburger	Omann	Spear
Brataas	Hanson	McCutcheon	Penny	Staples
Chmielewski	Humphrey	Menning	Pillsbury	Stern
Coleman	Jensen	Moe	Renneke	Strand
Dunn	Keefe, J.	Nichols	Rued	Tennessee
Engler	Kirchner	Ogdahl	Schmitz	Ueland, A.
Frederick	Kleinbaum	Olhoff	Setzepfandt	Ulland, J.

The motion did not prevail. So the amendment was not adopted.

Mr. Lessard moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 85, line 9, after "state" insert "*, other than in an unorganized township,*"

Page 85, line 14, after "kv" insert "*, transmission lines of 69 kv and above located in an unorganized township,*"

Page 85, line 31, after "kv" insert "*and transmission lines of 69 kv and above located in an unorganized township*"

The motion prevailed. So the amendment was adopted.

Mr. Gunderson moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 28, after line 13, insert:

"Sec. 11. Minnesota Statutes 1978, Section 290.08, Subdivision 24, is amended to read:

Subd. 24. [FAMILY FARM SECURITY LOAN INTEREST.] Gross income shall not include interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of property on a family farm security loan executed after ~~December 31, 1977~~ and before January 1, 1982 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60."

Page 29, line 32, after the period insert "*Section 11 is effective for interest received during taxable years beginning after December 31, 1977 on loans executed before January 1, 1982.*"

Page 29, line 32, delete "10" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 40, after "2;" insert "290.08, Subdivision 24;"

The motion prevailed. So the amendment was adopted.

Mr. Peterson moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 210, after line 20, insert:

### "ARTICLE XIII

Section 1. Minnesota Statutes 1978, Section 10A.01, Subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an entity other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this subdivision, it is a contribution in the year in which the loan or advance of credit is made.

A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Contribution does not include services provided without compensation by an individual volunteering his time on behalf of a candidate, *ballot question*, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media.

Sec. 2. Minnesota Statutes 1978, Section 10A.01, Subdivision 7a, is amended to read:

Subd. 7a. "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Sec. 3. Minnesota Statutes 1978, Section 10A.01, Subdivision 7b, is amended to read:

Subd. 7b. "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal

campaign committee for the purpose of influencing the nomination or election of a candidate *or for the purpose of promoting or defeating a ballot question*. Donation in kind includes an approved expenditure.

Sec. 4. Minnesota Statutes 1978, Section 10A.01, Subdivision 10, is amended to read:

Subd. 10. "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate *or for the purpose of promoting or defeating a ballot question*.

An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed.

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (a), expenditure includes the dollar value of a donation in kind.

Expenditure does not include:

- (a) Noncampaign disbursements as defined in subdivision 10c;
- (b) Transfers as defined in subdivision 7a;
- (c) Services provided without compensation by an individual volunteering his time on behalf of a candidate, *ballot question*, political committee, or political fund; or
- (d) The publishing or broadcasting of news items or editorial comments by the news media.

Sec. 5. Minnesota Statutes 1978, Section 10A.01, Subdivision 10c, is amended to read:

Subd. 10c. "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate *or to promote or defeat a ballot question*.

Noncampaign disbursement includes:

- (a) Payment for accounting and legal services;
- (b) Return of a contribution to the source;
- (c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) Return of moneys from the state elections campaign fund;
- (e) Payment for food and beverages consumed at a fundraising event;

(f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to adjournment sine die of the legislature in the election year for the office held; and

(g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

Sec. 6. Minnesota Statutes 1978, Section 10A.01, Subdivision 15, is amended to read:

Subd. 15. "Political committee" means any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question.

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.

Sec. 7. Minnesota Statutes 1978, Section 10A.01, Subdivision 16, is amended to read:

Subd. 16. "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Sec. 8. Minnesota Statutes 1978, Section 10A.01, is amended by adding a subdivision to read:

Subd. 23. "Ballot question" means a question or proposition which is placed on the ballot and which may be voted on by all voters of the state. "Promoting or defeating a ballot question" includes activities related to qualifying the question for placement on the ballot."

Sec. 9. Minnesota Statutes 1978, Section 10A.12, Subdivision 1, is amended to read:

10A.12 [POLITICAL FUNDS.] Subdivision 1. No association other than a political committee shall transfer more than \$100 in aggregate in any one year to candidates or political committees or make any approved or independent expenditure or expenditure to promote or defeat a ballot question unless the transfer or expenditure is made from a political fund.

Sec. 10. Minnesota Statutes 1978, Section 10A.20, Subdivision 3, is amended to read:

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$50 for legislative candidates or \$100 for statewide candidates or *ballot questions*, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, *identification of the ballot question which the expenditure is intended to promote or defeat*, and ; in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) For principal campaign committees only, the sum of non-campaign disbursements made in each category listed in section 10 of this act 10A.01, subdivision 10c during the reporting period; and

(m) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 11. Minnesota Statutes 1978, Section 10A.20, Subdivision 6, is amended to read:

Subd. 6. Every candidate who does not designate and cause to be formed a principal campaign committee, and any individual who makes independent expenditures or expenditures expressly advocating the approval or defeat of a ballot question in aggregate in excess of \$100 in any year, shall file with the board a report containing the information required by subdivision 3. Reports required by this subdivision shall be filed on the dates on which reports by committees and funds are filed.

Sec. 12. Minnesota Statutes 1978, Section 10A.32, Subdivision 3, is amended to read:

Subd. 3. As a condition of receiving any moneys money from the state elections campaign fund, a candidate shall agree by stating in writing to the board that (a) his expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 and that (b) he shall not accept contributions or allow approved expenditures to be made on his behalf for the period beginning with January 1 of the election year or with the registration of his principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed the difference between the amount which may legally be expended by him or on his behalf, and the amount which he receives from the state elections campaign fund. The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Beginning in 1980, Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. Notwithstanding the effective date of this section, for 1978, the period for determining the aggregate contribution and approved expenditure limit agreed to pursuant to

**this subdivision shall begin January 1, 1978. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year, and the amount of contributions received and approved expenditures made between January 1, 1978, and February 28, 1978 which equals the amount of expenditures made between January 1, 1978, and February 28, 1978, for goods consumed and services used before February 28, 1978, shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Any amount by which his aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.**

The candidate may submit his signed agreement to the filing officer on the day he files his affidavit of candidacy or petition to appear on the ballot, or he may submit the agreement to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be his share of the total estimated funds in his party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than his share of the estimate, and his contributions thereby exceed the difference, the agreement shall not be considered violated.

Sec. 13. Minnesota Statutes 1978, Section 210A.26, Subdivision 3, is amended to read:

Subd. 3. [STATEMENTS OF POLITICAL COMMITTEES.] Statements shall also be made by any political committee showing the total amount of receipts and disbursements, and for what purpose such disbursements were made. Such statement shall be filed within 30 days after any primary, municipal, or general election:

(a) When the committee is organized to support a candidate for a federal office with the filing officer of such candidate;

(b) When the committee is organized to support a candidate for a judicial district or county office with the auditor of the county in which such committee has its headquarters;

(c) When the committee is organized to support or oppose any constitutional amendment with the secretary of state;

~~(d) When the committee is organized to support a candidate for municipal office in municipalities having more than 20,000 population or to support or oppose propositions in elections in such municipalities with the filing officer of the municipality.~~

Sec. 14. Minnesota Statutes 1978, Section 210A.26, is amended by adding a subdivision to read:

*Subd. 6. [BALLOT QUESTIONS.] Any individual, political committee, association or corporation that makes any contribution or expenditure to promote or defeat a ballot question shall file reports as required by this subdivision. Reports shall be filed at the times required for filing financial statements under subdivision 1. Reports shall be filed with the official responsible for placing the question on the ballot. Each report shall show the following information, covering the period from the last report to seven days before the filing date:*

*(a) The name and address of each committee, individual, or other person to whom aggregate contributions or expenditures in excess of \$100 have been made to promote or defeat a ballot question, together with the amount, date and purpose of the contribution or expenditure;*

*(b) The total amount of contributions and expenditures made to promote or defeat a ballot question; and*

*(c) Identification of the ballot question which the individual, political committee, association or corporation seeks to promote or defeat.*

*The secretary of state shall prescribe the form for reports required under this subdivision and may do so without adopting rules pursuant to chapter 15.*

*For the purpose of this subdivision:*

*(1) "Ballot question" means a question or proposition, other than a ballot question as defined in section 10A.01, subdivision 23, which is placed on the ballot and which may be voted on by the voters of one or more political subdivisions of the state; and*

*(2) A contribution or expenditure for activities related to qualifying a question for placement on the ballot is a contribution or expenditure to promote or defeat the ballot question.*

Sec. 15. Minnesota Statutes 1978, Section 210A.34, Subdivision 1, is amended to read:

210A.34 [CORPORATIONS NOT TO CONTRIBUTE TO POLITICAL CAMPAIGN; PERMITTED ACTIVITIES; REPORTS; PENALTIES.] Subdivision 1. It shall be unlawful for any corporation doing business in this state to ~~pay or contribute or make any contribution or to offer, consent or agree to pay or contribute~~ ~~make any contribution, directly or indirectly, of any money, property, free service of its officers or employees or thing of value to any political party, organization, committee or individual for any political purpose whatsoever, or to promote or defeat the candidacy of any person for nomination, election, or~~

appointment to any political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of any candidate to any political office which is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of a candidate, his principal campaign committee or his agent.

Sec. 16. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

*Subd. 1a. It shall be unlawful for any corporation doing business in this state to make any independent expenditure or to offer, consent or agree to make any independent expenditure to promote or defeat the candidacy of any person for nomination, election or appointment to any political office. For the purpose of this subdivision, "independent expenditure" means an expenditure which is not made with the authorization or expressed or implied consent of, or in cooperation or concert with, or at the request or suggestion of, a candidate, his principal campaign committee or his agent.*

Sec. 17. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

*Subd. 1b. A corporation doing business in this state may make contributions or expenditures to promote or defeat a ballot question, to qualify a question for placement on the ballot, or to express its views on issues of public concern. But no such contribution shall be made to any candidate for nomination, election or appointment to a political office or to any committee organized wholly or partly to promote or defeat such a candidate.*

Sec. 18. Minnesota Statutes 1978, Section 210A.34, is amended by adding a subdivision to read:

*Subd. 1c. Nothing in this section shall be construed to prohibit publication or broadcasting of news items or editorial comments by the news media.*

Sec. 19. Minnesota Statutes 1978, Section 290.09, is amended by adding a subdivision to read:

*Subd. 30. [CERTAIN POLITICAL CONTRIBUTIONS.] Political contributions as authorized by sections 17 and 18.*

Sec. 20. [EFFECTIVE DATE.] *This article is effective the day following final enactment.*

Amend the title as follows:

Page 1, line 31, after the semicolon insert "authorizing certain political contributions and tax deductions for them;"

Page 1, line 32, after "Sections" insert "10A.01, Subdivisions 7, 7a, 7b, 10, 10c, 15 and 16 and by adding a subdivision; 10A.12, Subdivision 1; 10A.20, Subdivisions 3 and 6; 10A.32, Subdivision 3;"

Page 1, line 35, after "4;" insert "210A.26, Subdivision 3, and

by adding a subdivision; 210A.34, Subdivision 1 and by adding subdivisions;"

Page 1, line 40, after "2;" insert "290.09, by adding a subdivision;"

Mr. Merriam requested division of the amendment as follows:

First portion: All of the amendment except Sec. 19.

Second portion: Sec. 19, and amend the title as follows: Page 1, line 40, after "2;" insert "290.09, by adding a subdivision;"

The question was taken on the adoption of the first portion of the amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment.

The roll was called, and there were yeas 32 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Lessard	Renneke	Staples
Ashbach	Gearty	McCutcheon	Rued	Stokowaki
Barrette	Jensen	Menning	Schmitz	Ueland, A.
Bernhagen	Kirchner	Nichols	Setzepfandt	Ulland, J.
Brataas	Kleinbaum	Olson	Sieloff	
Coleman	Knaak	Peterson	Sillers	
Engler	Knutson	Pillsbury	Solon	

Those who voted in the negative were:

Benedict	Humphrey	Merriam	Purfeerst	Tennessee
Chmielewski	Johnson	Moe	Schaaf	Vega
Davies	Keefe, J.	Nelson	Sikorski	Willet
Dieterich	Keefe, S.	Olhoft	Spear	
Dunn	Knoll	Omann	Stern	
Gunderson	Laufenburger	Penny	Strand	
Hughes	Luther	Perpich	Stumpf	

The motion prevailed. So the second portion amendment was adopted.

Mr. Renneke moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Pages 30 to 45, delete sections 1 to 11 of Article II

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 32, delete "69.77, Subdivision 2, as amended;"

Page 2, line 6, delete "353.657, Subdivision 3;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 51, as follows:

Those who voted in the affirmative were:

Bernhagen	Engler	Laufenburger	Omann	Rued
Dunn	Hughes	Merriam	Renneke	

Those who voted in the negative were:

Anderson	Gunderson	Menning	Purfeerst	Stokowski
Bang	Hanson	Moe	Schaaf	Stumpf
Barrette	Humphrey	Nelson	Schmitz	Tennessee
Benedict	Johnson	Nichols	Setzepfandt	Ueland, A.
Brataas	Keefe, S.	Ogdahl	Sieloff	Uiland, J.
Chmielewski	Kirchner	Olhoft	Sikoraki	Vega
Coleman	Kleinbaum	Olson	Sillers	Willet
Davies	Knaak	Penny	Solon	
Dieterich	Lessard	Perpich	Spear	
Frederick	Luther	Peterson	Staples	
Gearty	McCutcheon	Pillsbury	Stern	

The motion did not prevail. So the amendment was not adopted.

Mr. Setzepfandt moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 84, line 11, delete everything after the period and insert "*Violation of the regulations shall be a misdemeanor under state law.*"

Page 84, delete lines 12 and 13

The motion prevailed. So the amendment was adopted.

Mr. Nichols moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 83, line 19, delete "11" and insert "12"

The question was taken on the adoption of the amendment.

Mr. McCutcheon moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 10 and nays 46, as follows:

Those who voted in the affirmative were:

Dunn	Knutson	Nichols	Penny	Renneke
Kirchner	McCutcheon	Olson	Purfeerst	Strand

Those who voted in the negative were:

Barrette	Dieterich	Johnson	Laufenburger	Nelson
Benedict	Frederick	Keefe, J.	Lessard	Olhoft
Bernhagen	Gearty	Keefe, S.	Luther	Omann
Brataas	Gunderson	Kleinbaum	Menning	Perpich
Chmielewski	Hughes	Knaak	Merriam	Peterson
Davies	Humphrey	Knoll	Moe	Pillsbury

Rued  
Schaaf  
Sieloff  
Sikoraki

Sillers  
Solon  
Spear

Staples  
Stern  
Stokowski

Stumpf  
Tenneessen  
Ueland, A.

Ulland, J.  
Vega  
Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Ashbach moved to amend H. F. No. 1121, as amended by the Senate, adopted March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 883.)

Page 210, after line 30, insert:

**"ARTICLE XIV: INCOME TAX FORM**

Section 1. Minnesota Statutes 1978, Section 10A.31, Subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall on the first page of the income tax form and the renter and homeowner property tax refund return notify the filing individual and any adult dependent of that individual of his right to allocate \$1 (\$2 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates. *The form shall also provide a place for the individual to indicate he does not want to allocate any money from the general fund to finance state election campaigns.* The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$1 (or \$2 if filing a joint return) , *if the individual so chooses*, to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of \$1. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$1 on the return only if he has not designated \$1 on the income tax return."

Amend the title as follows:

Page 1, line 31, after "mechanisms;" insert "providing an indication on tax forms of intention not to allocate state money to finance election campaigns;"

Page 1, line 32, after "Sections" insert "10A.31, Subdivision 3;"

The motion prevailed. So the amendment was adopted.

**RECONSIDERATION**

Having voted on the prevailing side, Mr. Menning moved that the vote whereby the second portion of the Peterson amendment to H. F. No. 1121 was adopted on March 24, 1980, be now reconsidered. The motion prevailed.

The question was taken on the adoption of the second portion of the Peterson amendment.

The roll was called, and there were yeas 22 and nays 35, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	McCutcheon	Renneke	Ulland, J.
Bernhagen	Gearty	Nichols	Rued	Willet
Brataas	Kirchner	Olson	Sillers	
Coleman	Knaak	Peterson	Staples	
Engler	Knutson	Pillsbury	Ueland, A.	

Those who voted in the negative were:

Barrette	Hughes	Luther	Penny	Spear
Benedict	Humphrey	Menning	Perpich	Stern
Chmielewski	Johnson	Merriam	Purfeerst	Stokowski
Davies	Keefe, J.	Moe	Schaaf	Strand
Dieterich	Keefe, S.	Nelson	Setzepfandt	Stumpf
Dunn	Kleinbaum	Olhoff	Sikoraki	Tennesen
Gunderson	Knoll	Omann	Solon	Vega

The motion did not prevail. So the second portion of the Peterson amendment was not adopted.

H. F. No. 1121: A bill for an act relating to taxation; updating the definition of gross income for income tax purposes for individuals, trusts and estates with certain modifications; providing for exempt-interest dividends for certain mutual funds; extending the political contribution credit to congressional and local candidates; clarifying certain definitions; providing a tax credit for energy conservation expenditures; clarifying the renewable energy source credit; increasing the dependent care credit; extending investment tax credits to family corporations; making certain changes in the minimum tax and in the treatment of small business corporations; allowing a ten year carryback of product liability losses; providing for deferral of certain gains recognized in the disposition of broadcasting property; reducing certain property tax classification ratios; increasing homestead credits; changing the property tax status of certain mobile homes; providing for delayed assessments for certain improvements; increasing homestead base value; providing a classification for neighborhood real estate trusts; adjusting levy limits and providing for certain special levies; providing for certain hearings and appeals on special assessments; clarifying property tax settlements; clarifying certain property tax refund filing due dates; extending eligibility for property tax refunds to certain claimants; providing for adjustment of property tax refunds due to abatements; providing state reimbursement for certain property; authorizing heat applied tax stamping machines; increasing the sales tax on retail sales from vending machines; providing a sales tax exemption for certain arts admissions; fixing maximum interest rates on public obligations; excepting certain debt obligations from public sale requirement; appropriating money; amending Minnesota Statutes 1978, Sections 124.212, Subdivision 2; 168.012, Subdivision 9; 273.13, Subdivisions 3 and 17b, and by adding a subdivision; 275.51, by adding a subdivision; 275.52, Subdivisions 2 and 5; 276.04; 276.09; 276.10; 276.11; 290.01, by

adding a subdivision; 290.09, Subdivisions 2, 24 and 28; 290.095, by adding a subdivision; 290.13, by adding a subdivision; 290.26, Subdivision 2; 290.49, Subdivision 10; 290.971, Subdivisions 1, 3 and 6; 290.972, Subdivisions 1, 3 and 5; 290A.06; 290A.11, by adding a subdivision; 290A.17; 290A.18; 290A.19; 297.03, Subdivision 6; 297A.02; 297A.25, Subdivision 1; 375.192, Subdivision 1; 429.061, Subdivisions 1 and 2; 429.081; 474.06; 475.55; 475.60, Subdivision 2; Chapters 273, by adding sections; and 298, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 273.122; 273.13, Subdivisions 4, 5a, 6, 7, 14a and 19; 275.50, Subdivision 5; 290.01, Subdivision 20; 290.06, Subdivisions 11 and 14; 290.067, Subdivisions 1 and 2; 290.09, Subdivision 3; 290.091; 290.095, Subdivision 1; 290.14; 290.17, Subdivision 1; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes 1978, Section 290.971, Subdivision 5; and Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16.

Was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Omann	Solon
Bang	Gunderson	Laufenburger	Penny	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	McCutcheon	Purfeerst	Stokowski
Brataas	Jensen	Menning	Renneke	Strand
Chmielewski	Johnson	Merriam	Rued	Stumpf
Coleman	Keefe, J.	Moe	Schaaf	Tennessee
Davies	Keefe, S.	Nelson	Schmitz	Ueland, A.
Dieterich	Kirchner	Nichols	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Ogdahl	Sieloff	Vega
Engler	Knaak	Olhoft	Sikorski	Willet
Frederick	Knoll	Olson	Sillers	

Mr. Perpich voted in the negative.

So the bill, as amended, passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS—CONTINUED

### CONFIRMATION

Mr. Laufenburger moved that the report from the Committee on Employment, reported March 19, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Laufenburger moved that the foregoing report be now adopted. The motion prevailed.

Mr. Keefe, S. moved that the report from the Committee on Employment, reported March 19, 1980, having been adopted, and the Senate, having given its advice, do now refuse to consent to and do reject the appointment of:

**WORKERS' COMPENSATION COURT OF APPEALS**

James R. Otto, 6817 Dakota Trail, Edina, Hennepin County, effective September 17, 1979, for a term expiring September 17, 1985.

**CALL OF THE SENATE**

Mr. Ashbach imposed a call of the Senate. The following Senators answered to their names:

Anderson	Hughes	Luther	Peterson	Stern
Ashbach	Humphrey	McCutcheon	Pillsbury	Stokowski
Bang	Jensen	Menning	Purfeerst	Strand
Benedict	Johnson	Merriam	Renneke	Stumpf
Bernhagen	Keefe, S.	Moe	Rued	Tennessee
Chmielewski	Kirchner	Nelson	Schaaf	Ueland, A.
Coleman	Kleinbaum	Nichols	Setzepfandt	Ulland, J.
Dieterich	Knaak	Ogdahl	Sieloff	Vega
Dunn	Knoll	Olhoff	Sikorski	Willet
Engler	Knutson	Omman	Sillers	
Frederick	Laufenburger	Penny	Spear	
Gearty	Lessard	Perpich	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Mr. Ashbach moved that the appointment of Mr. James R. Otto be re-referred to the Committee on Employment.

The question was taken on the adoption of the motion of Mr. Ashbach.

The roll was called, and there were yeas 21 and nays 44, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knaak	Renneke	Ulland, J.
Bang	Frederick	Knutson	Rued	
Bernhagen	Jensen	Lessard	Sieloff	
Brataas	Keefe, J.	Omman	Sillers	
Dunn	Kirchner	Pillsbury	Ueland, A.	

Those who voted in the negative were:

Anderson	Hanson	Menning	Perpich	Staples
Barrette	Hughes	Merriam	Peterson	Stern
Benedict	Humphrey	Moe	Purfeerst	Stokowski
Chmielewski	Johnson	Nelson	Schaaf	Strand
Coleman	Keefe, S.	Nichols	Schmitz	Stumpf
Davies	Kleinbaum	Ogdahl	Setzepfandt	Tennessee
Dieterich	Laufenburger	Olhoff	Sikorski	Vega
Gearty	Luther	Olson	Solon	Willet
Gunderson	McCutcheon	Penny	Spear	

The motion did not prevail.

The question recurred on the motion of Mr. Keefe, S.

Mr. Coleman moved that those not voting be excused from voting. The motion did not prevail.

Mr. Hughes moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 33 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Perpich	Stokowski
Barrette	Hanson	Luther	Schaaf	Stumpf
Benedict	Hughes	McCutcheon	Schmitz	Tennessee
Chmielewski	Humphrey	Moe	Sikoraki	Vega
Coleman	Johnson	Nichols	Solon	Willet
Davies	Keefe, S.	Ogdahl	Spear	
Dieterich	Kleinbaum	Olhoft	Stern	

Those who voted in the negative were:

Ashbach	Gunderson	Menning	Pillsbury	Staples
Bang	Jensen	Merriam	Purfeerst	Strand
Bernhagen	Keefe, J.	Nelson	Renneke	Ueland, A.
Brataas	Kirchner	Olson	Rued	Ulland, J.
Dunn	Knaak	Omann	Setzepfandt	
Engler	Knutson	Penny	Sieloff	
Frederick	Laufenburger	Peterson	Sillers	

The motion prevailed. So the appointment was rejected.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Tennessee moved that S. F. No. 1677, No. 24 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 10:30 o'clock a.m., Tuesday, March 25, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, March 25, 1960

The Senate met at 10:30 o'clock a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Gunderson	McCutcheon	Peterson	Staples
Barrette	Hanson	Menning	Pillsbury	Stern
Benedict	Hughes	Merriam	Purfeerst	Stokowski
Bernhagen	Johnson	Moe	Renneke	Strand
Chmielewski	Keefe, S.	Nelson	Rued	Stumpf
Coleman	Kirchner	Nichols	Schmitz	Tennessee
Davies	Kleinbaum	Ogdahl	Setzpfandt	Ueland, A.
Dieterich	Knaak	Olhoff	Sieloff	Ulland, J.
Dunn	Knoll	Olson	Sikoraki	Vega
Engler	Laufenburger	Omann	Sillers	Willet
Frederick	Lessard	Penny	Solon	
Gearty	Luther	Perpich	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Vincent L. Hawkinson.

The roll was called, and the following Senators answered to their names:

Anderson	Gearty	Laufenburger	Perpich	Staples
Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Hughes	McCutcheon	Purfeerst	Strand
Benedict	Humphrey	Menning	Renneke	Stumpf
Bernhagen	Jensen	Merriam	Rued	Tennessee
Brataas	Johnson	Moe	Schaaf	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzpfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoff	Sikoraki	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Penny	Spear	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Mr. Keefe, J. was excused from the Session of today until 12:30 o'clock p.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

**Mr. Bang introduced—**

S. F. No. 2410: A bill for an act relating to human rights; prohibiting employment discrimination based on activity in a local human rights commission; amending Minnesota Statutes 1978, Section 363.03, Subdivision 1.

Referred to the Committee on Judiciary.

**Mr. Bang introduced—**

S. F. No. 2411: A bill for an act relating to education; creating a commission to study equalization of the compensation of teachers at community colleges, state universities and the University of Minnesota; appropriating money.

Referred to the Committee on Education.

**Mr. Bang introduced—**

S. F. No. 2412: A resolution memorializing the United States Congress and the President of the United States to enact legislation providing a franking privilege for official mail connected with voter's registration and absentee ballots.

Referred to the Committee on Elections.

**Mr. Dieterich introduced—**

S. F. No. 2413: 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 1978, Sections 124.15, Subdivision 2; and 125.12, Subdivision 6b.

Referred to the Committee on Education.

**Mr. Sikorski, Mrs. Stokowski, Messrs. Schaaf and Sieloff introduced—**

S. F. No. 2414: A bill for an act relating to taxation; income; increasing the amount of exclusion for pension income; providing that the maximum exclusion shall be indexed to the cost of living; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

March 20, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 1296, 1755 and 920.

Sincerely yours,  
Albert H. Quie, Governor

March 21, 1980

The Honorable Edward J. Gearty  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 273, 1609 and 759.

Sincerely yours,  
Albert H. Quie, Governor

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 1797.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1818 and 1768.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1980

**FIRST READING OF HOUSE BILLS**

The following bills were read the first time and referred to the committee indicated.

H. F. No. 1818: A bill for an act relating to game and fish; authorizing moose seasons in the discretion of the commissioner; granting preference to landowners in obtaining moose licenses; amending Minnesota Statutes 1978, Section 100.27, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 100.271, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1785 now on General Orders.

H. F. No. 1768: 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 1978, Section 344.03, Subdivision 1; and Chapter 344, by adding sections.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1134 now on General Orders.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2217: A bill for an act relating to taxation; restricting the use of certain proceeds of the taconite production tax; amending Minnesota Statutes 1978, Sections 298.223 and 298.28, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1978, Section 273.135, Subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be

(a) in the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the amount of such tax, provided that the amount of said reduction shall not exceed the maximum amount specified in clause ~~(e)~~ (c).

(b) in the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the amount of such tax, provided that the amount of said reduction shall not exceed the maximum amount specified in clause ~~(e)~~ (c).

(c) in the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the amount of the tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amount specified in clause (e). The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein;

(d) in the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the amount of the tax, but not to exceed the maximum specified in clause (e);

(e) The maximum reduction for property described in clause (a) shall be \$385 and for property described in clauses clause (b), (c) and (d), \$330 for taxes payable in 1978. These maximum amounts shall increase by \$15 per year for taxes payable in 1979 and subsequent years."

Page 2, strike lines 28 to 33

Page 6, line 13, strike everything after "(6)"

Page 6, line 14, strike "(7)"

Page 6, line 26, strike "(8)" and insert "(7)"

Page 7, line 4, strike "(9)" and insert "(8)"

Page 7, line 9, strike "(10)" and insert "(9)"

Page 7, line 10, strike "(9)" and insert "(8)"

Page 10, after line 12, insert:

"Sec. 4. Minnesota Statutes 1978, Chapter 477A, is amended by adding a section to read:

[477A.15] [TACONITE AID REIMBURSEMENT.] *Any school district in which is located property which had been entitled to a reduction of tax pursuant to Minnesota Statutes 1978, Section 273.135, Subdivision 2, Clause (c), shall receive in 1981 and subsequent years an amount equal to the amount it received in 1980 pursuant to Minnesota Statutes 1978, Section 298.28, Subdivision 1, Clause (3)(b). Any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to sec-*

tion 273.134, and in which are located local units of government which received environmental development grants in 1980 pursuant to Minnesota Statutes 1978, Section 298.28, Subdivision 1, Clause (7), shall receive in 1981 and subsequent years an amount equal to the aggregate amount of the grants given to those local units in that county under that clause in 1980. The money distributed to the counties shall be used to provide environmental development grants. Payments shall be made pursuant to this section by the commissioner of revenue to the taxing jurisdictions on July 15 of 1981 and each year thereafter.

Sec. 5. Minnesota Statutes 1978, Chapter 273, is amended by adding a section to read:

[273.139] [SUPPLEMENTARY HOMESTEAD PROPERTY TAX RELIEF.] Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area described in subdivision 2 on class 3b property not exceeding 240 acres, on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the market value of the property, for all purposes shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained therein.

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the amount of the tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amount specified in clause (c). The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the amount of the tax, but not to exceed the maximum specified in clause (c).

(c) The maximum reduction shall be \$375 for taxes payable in 1981. These maximum amounts shall increase by \$15 per year for taxes payable in 1982 and subsequent years.

Subd. 3. Not later than December 1 of each year, commencing in 1980, each county auditor having jurisdiction over one or more

*tax relief areas defined in subdivision 2 shall certify to the commissioner of revenue his estimate of the total amount of the reduction, determined under subdivision 2, in taxes payable the next succeeding year with respect to all tax relief areas in his county.*

*Subd. 4. For the purposes of this section, the amount of property tax to be paid shall be determined before the allowance of any reduction prescribed by section 273.13, and the reduction prescribed by this section shall be in addition to that prescribed by section 273.13.*

Sec. 6. Minnesota Statutes 1978, Section 124.212, Subdivision 8a, is amended to read:

Subd. 8a. (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. For districts which received payments under sections 124.215, subdivision 2a; 124.25; 124.28; 124.30; 473.633 and 473.635; the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125, but not to exceed 50 percent of the previous year's payment.

(2) For districts which received payments under sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; section 4; 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; 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 in 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. 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. 7. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of

the payment. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. Reductions in levies pursuant to this clause, 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 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; section 4; 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; 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 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments 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, clause 1 or 2, to an amount less than the amount raised by a levy of 10 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 2a, clause (4) 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, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to that subdivision. The reduction of the capital expenditure 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 294.28; 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 124.212, subdivision 8a, 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 124.212, subdivision 8a, 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.

*Sec. 8. [APPROPRIATION.] A sum sufficient to make the payments required by sections 4 and 5 shall be annually appropriated from the general fund to the commissioner of revenue."*

Page 10, line 13, delete "1 and 2" and insert "2 and 3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for state replacement of certain eliminated payments; appropriating funds;"

Page 1, line 4, after "Sections" insert "124.212, Subdivision 8a; 273.135, Subdivision 2;"

Page 1, line 5, before the period, insert "; Chapters 273, by adding a section; and 477A, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 9"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was re-referred

S. F. No. 2116: A bill for an act proposing an amendment to the Minnesota Constitution, Article X, Section 6; removing restrictions upon the power to tax the mining, production or beneficiation of copper, copper-nickel or nickel.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was re-referred

S. F. No. 2203: A bill for an act proposing an amendment to the Minnesota Constitution, Article XIV, Section 11; removing certain restrictions on highway bonds.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was re-referred

**S. F. No. 1927:** A bill for an act proposing an amendment to the Minnesota Constitution, Article IV, Section 12; adding a provision to allow the legislature to call a special session.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "a" and insert "*two-thirds*"

Page 1, line 21, delete "*majority*"

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

**S. F. No. 2389:** A bill for an act relating to taxation; income; providing for the nonrecognition of gain or loss from sales or exchanges certified by the Federal Communications Commission; amending Minnesota Statutes 1978, Section 290.13, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

**S. F. No. 2248:** A bill for an act relating to taxation; sales and use tax; exempting used farm machinery; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

**S. F. No. 2375:** A bill for an act relating to taxation; clarifying provisions of the Minnesota tax increment financing act; amending Minnesota Statutes 1978, Section 472A.02, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 273.73, Subdivisions 7, 8, 10, 11 and 12; 273.74, Subdivision 3; 273.75, Subdivisions 1, 2, 5 and 6; 273.76, Subdivisions 1, 2 and 3, and by adding a subdivision; 273.77; 273.78; 273.86, Subdivision 4; and 473F.08, Subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 18, after line 25, insert:

"Sec. 15. Minnesota Statutes, 1979 Supplement, Section 273.76, is amended by adding a subdivision to read:

*Subd. 7. [ASSESSMENT AGREEMENTS.] An authority may, upon entering into a development or redevelopment agreement*

*pursuant to section 273.75, subdivision 5, enter into a written assessment agreement in recordable form with the developer or redeveloper of property within the tax increment financing district which establishes a minimum market value of the land and completed improvements to be constructed thereon until a specified termination date, which date shall be not later than the date upon which tax increment will no longer be remitted to the authority pursuant to section 273.75, subdivision 1. The assessment agreement shall be presented to the county assessor, or city assessor having the powers of the county assessor, of the jurisdiction in which the tax increment financing district is located. The assessor shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, shall execute the following certification upon such agreement:*

*The undersigned assessor, being legally responsible for the assessment of the above described property upon completion of the improvements to be constructed thereon, hereby certifies that the market value assigned to such land and improvements upon completion shall not be less than \$. . . . .*

*Upon transfer of title of the land to be developed or redeveloped from the authority to the developer or redeveloper, such assessment agreement, together with a copy of this subdivision, shall be filed for record and recorded in the office of the county recorder or filed in the office of the registrar of titles of the county where the real estate or any part thereof is situated. Upon completion of the improvements by the developer or redeveloper, the assessor shall value the property pursuant to section 273.11, except that the market value assigned thereto shall not be less than the minimum market value contained in the assessment agreement. Nothing herein shall limit the discretion of the assessor to assign a market value to the property in excess of the minimum market value contained in the assessment agreement nor prohibit the developer or redeveloper from seeking, through the exercise of administrative and legal remedies, a reduction in market value for property tax purposes; provided, however, that the developer or redeveloper shall not seek, nor shall the city assessor, the county assessor, the county auditor, any board of review, any board of equalization, the commissioner of revenue or any court of this state grant a reduction of the market value below the minimum market value contained in the assessment agreement during the term of the agreement filed of record regardless of actual market values which may result from incomplete construction of improvements, destruction or diminution by any cause, insured or uninsured, except in the case of acquisition or reacquisition of the property by a public entity. Recording or filing of an assessment agreement complying with the terms of this subdivision shall constitute notice of the agreement to any subsequent purchaser or encumbrancer of the land or any part thereof, whether voluntary or involuntary, and shall be binding upon them."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing assessment agreements;"

Page 1, line 9, delete "a subdivision" and insert "subdivisions"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1696: A bill for an act relating to the legislature; proposing an amendment to Article IV, Section 23 of the Minnesota Constitution; extending the ordinary period for the governor to consider vetoing a bill; providing for a simplified veto process; providing for a "veto session" of the legislature at which it may consider overriding a governor's veto of a bill returned after the legislature's adjournment.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 29, after "*adjourned*" insert "*and a majority of the members elected to each house agrees in writing*"

Page 3, line 19, delete "ordinary"

Page 3, line 20, delete ", to simplify the veto process, and require" and insert "and to allow"

Page 3, line 21, delete "a veto of" and insert "vetoed bills?"

Page 3, delete lines 22 and 23

Amend the title as follows:

Page 1, line 6, delete everything after the first semicolon

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 750: A bill for an act relating to public welfare; increasing personal needs allowance for residents of certain facilities; restricting the use of allowances by third parties; providing for a civil action and damages; providing a penalty; amending Minnesota Statutes 1978, Section 256B.35.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, delete "\$50" and insert "\$35"

Page 1, delete lines 20 to 23

Page 2, delete lines 1 to 7

Page 3, after line 24, insert:

*"Sec. 2. [APPROPRIATION.] The sum of \$905,000 is appropriated from the general fund to the commissioner of public welfare to pay the increased personal needs allowance authorized by section 1."*

Amend the title as follows:

Page 1, line 6, after "penalty;" insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 386: A bill for an act relating to health; providing for special grants to provide a range of services designed to maintain physically impaired adults in their homes and communities; appropriating money; amending Minnesota Statutes 1978, Section 145.912, Subdivision 7; and Chapter 145, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 14, delete "\$3,000,000" and insert "\$2,000,000"

Page 3, line 15, delete "\$150,000" and insert "\$100,000"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 2182: A bill for an act relating to health; directing the department of health to undertake studies for determining health and environmental effects of high voltage transmission lines; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 17, delete "Subdivision 1. The department" and insert "The commissioner"

Page 1, line 18, delete "department" and insert "commissioner"

Page 1, line 19, after "the" insert "CU-TR-1 400 kilovolt direct current electric"

Page 1, line 19, delete "described in section 1" and insert "running from the western border of Traverse County to Delano in Wright County"

Page 2, delete lines 3 to 20

Page 2, line 21, delete "department" and insert "commissioner"

Page 2, line 26, delete "department" and insert "commissioner"

Page 2, line 27, delete "department"

Page 2, delete lines 28 to 30

Page 2, line 33, delete "in a matrix or" and insert a period

Page 3, delete line 1 and insert "The conclusions of the study shall be reported to the legislature by April 1, 1981."

Page 3, line 4, delete "department" and insert "commissioner"

Page 3, line 5, delete "These funds are available until expended."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "department" and insert "commissioner"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1943: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of vulnerable adults; requiring certain facilities to establish abuse prevention plans; establishing penalties; appropriating money; amending Minnesota Statutes 1978, Chapter 626, by adding a section; repealing Minnesota Statutes 1978, Sections 245.813; and 626.555.

Reports the same back with the recommendation that the bill be amended as follows:

Page 12, line 14, after the dollar sign, insert "140,000"

Page 12, line 17, after the period, insert "*The approved complement of the department of public welfare is increased by two positions.*"

And when so amended the bill do pass, Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1685: A bill for an act relating to pollution; recogniz-

ing the extent and severity of the problem of acid precipitation; appropriating funds and designating state agencies and departments to conduct activities designed to identify, control and abate acid precipitation.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 12, after "precipitation" insert "to be available until June 3, 1981"

Page 2, line 14, after the dollar sign, insert "53,000"

Page 2, line 16, after the dollar sign, insert "24,000"

Page 2, line 18, after the dollar sign, insert "23,000"

Page 2, delete lines 19 and 20

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1067: A bill for an act relating to pollution; establishing noise limits for motorboats; appropriating money; amending Minnesota Statutes 1978, Section 361.17.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 2 and 3, delete "*of the Minnesota department of natural resources*"

Page 2, lines 8 and 9, delete "*of the Minnesota department of natural resources*"

Page 2, lines 17 and 18, delete "*of the Minnesota department of natural resources*"

Page 2, lines 28 and 29, delete "*of the Minnesota department of natural resources*"

Page 3, lines 1 and 2, delete "*of the Minnesota department of natural resources*"

Page 3, line 9, after the dollar sign insert "30,000"

Page 3, lines 10 and 11, delete "*Minnesota department*" and insert "*commissioner*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1883: A bill for an act relating to public welfare; providing for a study of revisions to the nursing home rate reimbursement formula; providing for an information retrieval sys-

tem; appropriating money; amending Minnesota Statutes 1978, Section 256B.47, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 28, insert:

**“Sec. 3. [STATEMENT OF PURPOSE.]** *The legislature finds that general health is related to dental health and, due to the increased longevity of the population, the expansion of the nursing home industry, and the existing unmet and continuing needs for dental health in nursing homes, it is appropriate and necessary to establish programs for residents of nursing homes which promote dental health and prevent dental disease.*

**Sec. 4. [PROGRAM ASPECTS.]** *Subdivision 1. The commissioner of health shall provide for the establishment of nursing home dental health programs as provided in this section.*

**Subd. 2. The commissioner shall:**

*(a) Develop, maintain, and distribute to nursing homes a dental health manual which identifies their administrative and patient care responsibilities and which recommends a local dental health policy;*

*(b) Establish, in conjunction with the dental profession, nursing home dental health standards, priorities of dental operations and guidelines for advisory dentists;*

*(c) Review existing nursing home dental health regulations to insure their consistency with current oral health standards;*

*(d) Seek the cooperation and coordination of a joint statewide effort between the dental profession, the nursing home industry and senior citizen organizations to promote the purpose of this section; and*

*(e) Provide technical dental health assistance, dental consultation, and current dental health information to nursing homes.*

**Subd. 3.** *In each of the eight health department districts, the commissioner shall establish during the biennial cycle a specific site program for nursing homes each to include:*

*(a) The analysis and identification of resident dental care needs and obstacles to access and the achievement of optimal oral health care and maintenance; and*

*(b) A training program of preventive oral health practices for nursing home staff.*

**Sec. 5. [PROGRAM SUPERVISION.]** *The commissioner shall provide for all administrative and technical responsibilities for section 4. The development and administration of the program shall be under a licensed dentist.*

**Sec. 6. [REPORT.]** *The commissioner shall compile, analyze, and evaluate programmatic data and accomplishments related to sections 4 and 5.”*

Page 2, line 30, after the dollar sign insert "**40,000**"

Page 2, line 33, delete "*These funds*" and insert "*This appropriation*"

Page 3, line 1, delete "*shall be*" and insert "*is*"

Page 3, line 2, after the dollar sign insert "**40,000**"

Page 3, line 9, delete "*These funds shall be*" and insert "*This appropriation is*"

Page 3, delete line 10 and insert "**June 30, 1981,**"

Page 3, after line 10, insert:

*"Subd. 3. The sum of \$60,000 is appropriated from the general fund to the commissioner of health for nursing home dental health programs, to be available until June 30, 1981."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "system;" insert "providing for nursing home dental health programs;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 723: A bill for an act relating to welfare; changing income disregard provisions for certain medical assistance recipients and certain supplemental aid recipients; amending Minnesota Statutes 1978, Sections 256B.06, Subdivision 1; and 256D.37, Subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 256B.06, Subdivision 1, is amended to read:

256B.06 [ELIGIBILITY REQUIREMENTS.] 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. 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; and

(8) Who, if single, does not have more than \$2,000 in cash or liquid assets, plus \$150 for each additional legal dependent or, if married, whose cash or liquid assets do not exceed \$10,000, except that the value of the homestead and one automobile shall be disregarded; 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 (man 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, beginning in July 1979, 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. 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.

(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. 2. Minnesota Statutes, 1979 Supplement, Section 256D.37, Subdivision 1, is amended to read:

256D.37 [NEW APPLICANTS AND RECIPIENTS; PROVISIONS FOR SUPPLEMENTAL AID.] Subdivision 1. For all applicants for ~~or recipients of supplemental security income who did not receive aid pursuant to any categorical aid program referred to in section 256D.36 during December, 1973, and who make application to the appropriate local agency,~~ the local agency shall determine whether the individual meets the eligibility criteria prescribed in subdivision 2. For each individual who meets the relevant eligibility criteria prescribed in subdivision 2, the local agency shall certify to the commissioner the amount of supplemental aid to which the individual is entitled in accordance with all of the standards in effect December 31, 1973, for the appropriate categorical aid program. In computing the amount of supplemental aid under this section, the local agency shall deduct from the gross amount of the individual's determined needs all income, subject to the criteria for income disregards in effect December 31, 1973, for the appropriate categorical aid program, *except that the earned income disregard for disabled persons who are not residents of long term care facilities shall be the same as the earned income disregard available to disabled persons in the supplemental security income program and all actual work expenses shall be deducted when determining the amount of income for the individual.* From and after the first of the month in which an effective application is filed, the state and the county shall share responsibility for the payment of the supplemental aid to which the individual is entitled under this section as ~~provided in section 256D.36.~~ *Until January 1, 1981, the state shall pay 70 percent and the county shall pay 30 percent of the supplemental aid calculated for each county resident. On and after January 1, 1981, the state shall pay 80 percent and the county shall pay 20 percent of the aid.*

Sec. 3. Minnesota Statutes 1978, Section 256D.37, Subdivision 2, is amended to read:

Subd. 2. The eligibility criteria for supplemental aid under this section shall be those in effect December 31, 1973 for the categorical aid programs of old age assistance, aid to the blind, and aid to the disabled, *except that in determining eligibility for disabled individuals who are not residents of long term care facilities, all actual work expenses shall be disregarded and the earned in-*

*come disregard shall be the same as the earned income disregard used to determine eligibility for disabled individuals in the supplemental security income program, and except that net equity of \$25,000 in one home used as a residence, one automobile the market value of which does not exceed \$1,650, and real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price, are to be disregarded in determining eligibility. The commissioner of public welfare shall annually adjust the limitation on net equity in real property used as a home by the same percentage as the homestead base value index provided in section 273.122, subdivision 2. The local agency shall apply the relevant criteria to each application. The local agency in its discretion may permit eligibility of an applicant having assets in excess of the amount prescribed in this section if liquidation of the assets would cause undue loss or hardship.*

**Sec. 4. [REPEALER.]** *Minnesota Statutes 1978, Section 256D.36, Subdivision 2, and Minnesota Statutes 1979 Supplement, Section 256D.36, Subdivision 1, are repealed.*

**Sec. 5. [APPROPRIATION.]** *The sum of \$47,500 is appropriated from the general fund to the commissioner of public welfare for the purposes of this act."*

Amend the title as follows:

Page 1, delete lines 5 to 7 and insert "recipients; appropriating money; amending Minnesota Statutes 1978, Section 256D.37, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 256B.06, Subdivision 1; and 256D.37, Subdivision 1; repealing Minnesota Statutes 1978, Section 256D.36, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 256D.36, Subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for January 28, 1980:

#### **CRIME VICTIMS REPARATIONS BOARD**

**Dr. Johanna B. Miller**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

H. F. No. 1513: A bill for an act relating to the environment; regulating activities of drillers of exploratory borings; specifying the powers and duties of public officers and agencies; providing penalties; amending Minnesota Statutes 1978, Sections 156A.01;

156A.02, Subdivision 1, and by adding subdivisions; 156A.03, Subdivision 1; 156A.04; 156A.08; and Chapter 156A, by adding a section.

Reports the same back with the recommendation that the report from the Committee on Agriculture and Natural Resources shown in the Journal for March 18, 1980, "And when so amended the bill do pass" be adopted. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 1031: A bill for an act relating to education; providing for a center for the older adult learner and for an advisory council on the older adult learner; appropriating money; amending Minnesota Statutes 1978, Section 256.975, Subdivision 2; and Chapter 121, by adding sections.

Reports the same back with the recommendation that the report from the Committee on Education shown in the Journal for March 12, 1980, "And when so amended the bill do pass and be re-referred to the Committee on Finance" be adopted. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S. F. No. 2003: A bill for an act relating to public welfare; clarifying duties of the commissioner of public welfare regarding approval of public and private mental health centers and clinics for certain purposes; mandating additional rulemaking; amending Minnesota Statutes, 1979 Supplement, Section 245.69.

Reports the same back with the recommendation that the report from the Committee on Health, Welfare and Corrections shown in the Journal for March 14, 1980, "And when so amended the bill do pass" be adopted. Amendments adopted. Report adopted.

#### APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 1781: Messrs. Merriam, Anderson, Dunn, Hughes and Dieterich.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 2217, 2389, 2248, 2375, 750, 386, 2182, 1943, 1685,

1067, 1883, 723 and 2003 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

### SECOND READING OF HOUSE BILLS

H. F. No. 1513 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

### MOTIONS AND RESOLUTIONS

Mr. Sikorski moved that the name of Mr. Merriam be added as co-author to S. F. No. 1597. The motion prevailed.

Mr. Chmielewski moved that H. F. No. 1731 be withdrawn from the Committee on Employment and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1753, now on General Orders. The motion prevailed.

Mr. Coleman, for the Committee on Rules and Administration, offered the following resolution:

BE IT RESOLVED, by the Senate, that the following named persons be and are hereby appointed to the positions hereinafter stated and at the salaries heretofore fixed.

Rick Molton, Page classification, effective March 17, 1980

Rev. Dave Schneider, Chaplain, effective March 21, 1980

Rev. Vince Hawkinson, Chaplain, effective March 24, 1980

Rev. Lee Freeman, Chaplain, effective March 26, 1980

Rev. Gregory McDonald, Chaplain, effective March 28, 1980

Mr. Coleman moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Merriam moved that S. F. No. 2197 and S. F. No. 2225, now on General Orders, be stricken and re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Calendar. The motion prevailed.

### CALENDAR

H. F. No. 2047: A bill for an act relating to state government; raising the limit on the balance allowed to remain in the state auditor's revolving fund; empowering the state auditor to establish a personnel recruitment, hiring, promotional, and salary plan with the approval of the commissioner of the department of personnel; amending Minnesota Statutes 1978, Section 6.58; and Chapter 6, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	McCutcheon	Perpich	Staples
Bang	Gunderson	Menning	Peterson	Stern
Barrette	Hanson	Merriam	Pillsbury	Stokowski
Benedict	Hughes	Moe	Purfeerst	Strand
Bernhagen	Humphrey	Nelson	Rued	Stumpf
Brataas	Johnson	Nichols	Schaaf	Tennessee
Chmielewski	Kirchner	Ogdahl	Schmitz	Ueland, A.
Davies	Knaak	Olhoft	Setzepfandt	Ulland, J.
Dunn	Knoll	Olson	Sikorski	Vega
Engler	Lessard	Omann	Sillers	Wegener
Frederick	Luther	Penny	Spear	Willet

So the bill passed and its title was agreed to.

H. F. No. 1962: A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; amending Minnesota Statutes 1978, Sections 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	McCutcheon	Peterson	Staples
Bang	Hanson	Menning	Pillsbury	Stern
Barrette	Hughes	Merriam	Purfeerst	Stokowski
Benedict	Humphrey	Moe	Rued	Strand
Bernhagen	Johnson	Nelson	Schaaf	Stumpf
Brataas	Kirchner	Nichols	Schmitz	Tennessee
Chmielewski	Kleinbaum	Ogdahl	Setzepfandt	Ueland, A.
Davies	Knaak	Olhoft	Sieloff	Ulland, J.
Dunn	Knoll	Olson	Sikorski	Vega
Engler	Laufenburger	Omann	Sillers	Wegener
Frederick	Lessard	Penny	Solon	Willet
Gearty	Luther	Perpich	Spear	

So the bill passed and its title was agreed to.

H. F. No. 1408: A bill for an act relating to motor vehicles; providing for the proration of taxes on certain vehicles on the basis of the registration period; providing for the issuance and use of certain motor vehicle dealer plates; adjusting the bond provisions for certain dealers; authorizing dealers, licenses for the sale of motorized bicycles; specifying grounds for suspension and revocation of dealers' licenses; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 2; and 168.27, Subdivisions 2, 12, 20, 22 and 24.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	McCutcheon	Purfeerst	Stokowski
Bang	Gunderson	Menning	Renneke	Strand
Barrette	Hanson	Merriam	Rued	Stumpf
Benedict	Hughes	Moe	Schaaf	Tennessee
Bernhagen	Humphrey	Nelson	Schmitz	Ueland, A.
Brataas	Johnson	Nichols	Setzepfandt	Ulland, J.
Chmielewski	Kirchner	Ogdahl	Sieloff	Vega
Coleman	Kleinbaum	Olhoff	Sikorski	Wegener
Davies	Knaak	Omann	Sillers	Willet
Dieterich	Knoll	Penny	Solon	
Dunn	Laufenburger	Perpich	Spear	
Engler	Lessard	Peterson	Staples	
Frederick	Luther	Pillsbury	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1415: A bill for an act relating to taxation; clarifying the taxable status of Title II property owned by a non-profit entity; eliminating obsolete language; increasing the assessment ratio applied to housing for elderly or low and moderate income persons financed by the farmers home administration; amending Minnesota Statutes 1978, Section 273.13, Subdivision 17b; and Minnesota Statutes, 1979 Supplement, Sections 272.02, Subdivision 1; and 273.115, Subdivisions 1, 2, 3 and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	McCutcheon	Pillsbury	Staples
Ashbach	Hughes	Menning	Renneke	Stokowski
Barrette	Humphrey	Merriam	Rued	Strand
Brataas	Jensen	Moe	Schaaf	Stumpf
Davies	Johnson	Nelson	Schmitz	Ueland, A.
Dunn	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Engler	Kleinbaum	Ogdahl	Sikorski	Vega
Frederick	Knaak	Olhoff	Sillers	
Gearty	Laufenburger	Olson	Solon	
Gunderson	Luther	Peterson	Spear	

Those who voted in the negative were:

Bang	Chmielewski	Lessard	Purfeerst	Wegener
Benedict	Dieterich	Omann	Sieloff	Willet
Bernhagen	Knoll	Perpich	Stern	

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Moe moved that H. F. No. 2476 be taken from the table. The motion prevailed.

H. F. No. 2476: A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; appropriating money; amending Minnesota Statutes 1978, Sections 3A.03, Subdivision 2; 3A.04, Subdivisions 3 and 4; 15.0597, Subdivisions 3, 4, 5, 6 and 7; 15.50, Subdivision 1; 16.854, Subdivision 1; 16A.131, by adding a subdivision; 16A.67, Subdivision 1; 16A.721; 43.005, by adding a subdivision; 43.05, Subdivision 2; 43.062, Subdivisions 1, 2 and 3; 43.065; 43.067, Subdivision 2; 43.068; 43.323, Subdivisions 1 and 2; 43.35; 62D, by adding a subdivision; 82.34; 90.195; 94.10, Subdivision 1; 94.16; 121.90; 121.902, Subdivision 1; 121.906, Subdivision 2; 121.908; 121.912, Subdivision 2; 121.914, Subdivision 1; 136.81, Subdivision 1; 145.913, Subdivision 3; 214.06, Subdivision 1; 216.16; 216A.01; 216A.03, Subdivision 3, and by adding a subdivision; 216A.04, Subdivisions 1 and 3, and by adding a subdivision; 216A.05, Subdivisions 4 and 5; 216A.07; 216B.17, Subdivision 1; 216B.19; 216B.54; 216B.62, Subdivisions 2 and 3; 216B.64; 237.02; 237.12; 237.295, Subdivisions 1 and 2; 246.014; 352.01, Subdivision 2B; 352.04, Subdivision 5; 352.73, Subdivision 3; 352B.25; 352C.04, Subdivision 3; 352C.09, Subdivision 2; 353.83; 354.55, Subdivision 5; 355.46, Subdivision 3; 355.50; 403.11, Subdivision 3; 473.408, Subdivision 3; 490.123, Subdivision 1; and Chapters 16, by adding sections; 16A, by adding sections; 97, by adding a section; 121, by adding sections; 216A, by adding a section; 246, by adding a section; 253A, by adding a section; 256, by adding a section; 259, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 3.3005, Subdivision 4; 15A.083, Subdivision 4; 16A.126; 174.28, Subdivision 2; 43.09, Subdivision 2a; 43.24; 82.81, Subdivision 1; 121.917, Subdivision 4; 354A.12, Subdivision 2; 422A.101, Subdivision 3; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5; 301, Section 3 by adding a subdivision; repealing Minnesota Statutes 1978, Sections 3A.11, Subdivision 3; 43.03; 43.06; 121.92, Subdivision 1; 216B.62, Subdivision 1; 352.73, Subdivision 4; 354.43, Subdivision 2; 490.025, Subdivision 8; Minnesota Statutes, 1979 Supplement, Sections 16.93; 16.965; 121.92, Subdivision 2; and Laws 1979, Chapter 217, Section 11.

#### SUSPENSION OF RULES

Mr. Moe moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 2476 and that the rules of the Senate be so far suspended as to give H. F. No. 2476 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 2476 was read the second time.

Mr. Moe moved to amend H. F. No. 2476 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [STATE GOVERNMENT; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other

fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1980" and "1981", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1980, or June 30, 1981, respectively.

**SUMMARY BY FUND**

	1980	1981	TOTAL
General	\$12,599,600	\$20,849,574	\$33,449,174
Game and Fish	704,500	267,400	971,900

**APPROPRIATIONS**

Available for the Year  
Ending June 30

1980	1981
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\$	\$
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**Sec. 2. LEGISLATURE**

(a) Legislative Reference Library	40,900	60,900
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This appropriation is added to the appropriation in Laws 1979, Chapter 333, Section 2, Subdivision 4, for the Legislative Reference Library.

(b) Revisor of Statutes		75,000
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This appropriation is available only to match money from the National Historical Publications and Records Commission for the unpublished laws project.

**Sec. 3. CONTINGENT ACCOUNTS**

Fuel and Utilities	704,500	7,000,000
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This appropriation is added to the appropriation in Laws 1979, Chapter 333, Section 8, Subdivision 6. \$704,500 the first year is from the game and fish fund.

**Sec. 4. GOVERNOR**

Washington Office		36,500
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This appropriation is added to the appropriation for executive operations in Laws 1979, Chapter 333, Section 9.

**Sec. 5. SECRETARY OF STATE**

Open Appointments	4,900	19,700
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This appropriation is added to the ap-

	1980	1981
	\$	\$
appropriation in Laws 1979, Chapter 333, Section 10.		
<b>Sec. 6. ADMINISTRATION</b>		
(a) Any unexpended balance of the \$51,500 appropriation in Laws 1979, Chapter 333, Section 18, for the reduction of obligations shall remain available for expenditure as provided in that section through June 30, 1981. If the surplus property revolving fund is abolished prior to June 30, 1981, any portion of the \$61,500 that is outstanding shall be immediately returned to the general fund.		
(b) County Litigation Expense		150,000
This appropriation is available to reimburse any county for up to 50 percent of the legal expenses incurred by it in litigation concerning state and county jurisdiction over Indians, Indian hunting and fishing rights, and other issues relating to Indians.		
(c) Small Business Definition	25,000	
This appropriation is available until June 30, 1981.		
<b>Sec. 7. FINANCE</b>		
Approved Complement — Add 3		
Payroll and Personnel		
Information System	221,300	250,400
<b>Sec. 8. PERSONNEL</b>		
Approved Complement		
General — Add 3		
(a) Affirmative Action for Veterans		18,000
This appropriation is added to the appropriation for Human Resource Improvement in Laws 1979, Chapter 333, Section 21.		
(b) Internship and Summer Youth		
Work Experience Programs		40,000
<b>Sec. 9. PERSONNEL BOARD</b>		65,500
<b>Sec. 10. REVENUE</b>		

	1980	1981
	\$	\$
(a) Railroad Gross Earnings		150,000
(b) Implement Tax Changes of 1979	92,600	92,600

### Sec. 11. AGRICULTURE

Agricultural Research and Promotion 125,000

This appropriation is added to the appropriation in Laws 1979, Chapter 333, Section 24.

### Sec. 12. NATURAL RESOURCES

Approved Complement

General — Add 35

26 of these positions represent BWCA positions totally reimbursed by federal money. Their continuation beyond this biennium is dependent upon the continuation of the federal money to pay for them.

Game and Fish — Add 9

Federal — Subtract 26

(a) All money that has in the past been appropriated to the commissioner of natural resources for forest management purposes from the iron range resources and rehabilitation account will in the future be appropriated from the general fund.

(b) Boundary Waters Canoe Area 3,000,000

This appropriation is available from October 1, 1980 to September 30, 1981, but only in the amount that the federal government has agreed to reimburse the state for expenditures from this appropriation. Federal money earned as reimbursement shall be deposited in the general fund.

The appropriation in Laws 1979, Chapter 333, Section 26 for the BWCA for the first year is available until September 30, 1980.

(c) St. Croix Wild River State Park 131,200

(d) Tettegouche State Park 24,000

(e) The appropriations in (c) and (d)

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are added to the appropriation for Park and Recreation Management in Laws 1979, Chapter 333, Section 26.

**(f) Soil and Water Conservation Board**

25,000

This appropriation is added to the appropriation for the Soil and Water Conservation Board in Laws 1979, Chapter 333, Section 26.

**(g) Conservation Officers**

445,700

To assist the department in reducing the number of violations and providing a quicker response to public complaints. \$267,400 of this appropriation is from the game and fish fund and the entire appropriation is added to the appropriation for Enforcement of Natural Resources Laws and Rules in Laws 1979, Chapter 333, Section 26.

**Sec. 13. POLLUTION CONTROL**

Appropriations made in Laws 1979, Chapter 333, Section 29, for functions relating to the Reserve Mining project and for preparation of environmental impact statements are available for either year of the biennium.

**Sec. 14. NATURAL RESOURCES ACCELERATION**

(a) In Laws 1979, Chapter 333, Section 31, Subdivision 3, (1), the approved complement is changed to 6, the reference to paragraphs (g) and (h) is changed to paragraphs (j) and (k) and \$313,000 is changed to \$338,000.

(b) In Laws 1979, Chapter 333, Section 31, Subdivision 4, (b), the appropriation condition "through March, 1980" is changed to "through June 30, 1981".

**Sec. 15. BOARD OF ELECTRICITY**

200,000

300,000

This appropriation is added to the appropriation in Laws 1979, Chapter 333, Section 33, Subdivision 7.

**Sec. 16. ECONOMIC DEVELOPMENT**

	1980	1981
	\$	\$
<b>Approved Complement</b>		
<b>General — Add 1</b>		
<b>Federal — Add 4</b>		
(a) Duluth Port Authority		210,500
This appropriation is added to the appropriation for the same purpose in Laws 1979, Chapter 333, Section 38.		
(b) Development Resources		40,000
This appropriation is added to the appropriation for Economic Development Assistance in Laws 1979, Chapter 333, Section 38, and is available only to match federal money on the basis of \$1 state for \$3 federal.		
(c) Small Business Assistance Center		25,200
This appropriation is added to the appropriation for Small Business Development in Laws 1979, Chapter 333, Section 38.		

#### Sec. 17. VETERANS AFFAIRS

##### Approved Complement — Add 10

Veterans Home — Minneapolis	25,000	150,000
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This appropriation is added to the appropriation for the same purpose in Laws 1979, Chapter 333, Section 40.

#### Sec. 18. PUBLIC SAFETY

##### (a) State Patrol Overtime During

Independent Truckers Protest	343,300
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(b) \$135,000 of the appropriation by Laws 1979, Chapter 333, Section 41, for the investigation of cross jurisdictional criminal activity for fiscal 1980 shall not cancel and is available for fiscal 1981.

#### Sec. 19. CRIME CONTROL PLANNING BOARD

##### Approved Complement

##### General — Add 33

Each of these positions is totally reimbursed with federal money and the con-

	1980	1981
	\$	\$
<p>tinuation of each position is dependent upon the continued receipt of this federal money.</p>		
<p><b>Federal — Subtract 33</b></p>		
(a) Planning, Research and Evaluation		284,900
(b) Administration		201,100
(c) Law Enforcement Assistance		90,000

This appropriation is for grants for youth intervention programs.

The appropriations in (a), (b), and (c) are added to the appropriations for the same purposes in Laws 1979, Chapter 333, Section 42.

The sum of \$486,000 is subtracted from the appropriation for the crime control planning board contingent account in Laws 1979, Chapter 333, Section 8, Subdivision 4.

The executive director of the crime control planning board with the approval of the commissioner of finance may transfer unencumbered balances of the appropriations in Laws 1979, Chapter 333, Section 42, including the additions made by this act, not specified for a particular purpose, among the programs in that section. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

(d) Automated Fingerprint Identification System—Evaluation		30,000
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The board shall evaluate the need for expanding the Minnesota automated fingerprint identification system throughout the state and the adequacy of technology currently available to operate the expanded system. The board shall report to the legislature by January 1, 1981, the results of the evaluation, including a recommendation on expanding the system based upon projected costs and benefits.

	1980	1981
	\$	\$
(e) Automated Fingerprint Identification System—Upgrading		169,000

This appropriation is for a grant to the St. Paul police department to upgrade the Minnesota automated fingerprint identification system.

#### Sec. 20. HOUSING FINANCE AGENCY

Indian Housing	4,000,000
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This appropriation is for transfer to the housing development fund created in Minnesota Statutes, Section 462A.20.

\$2,665,000 is for the American Indian revolving fund created in Minnesota Statutes, Section 462A.21, Subdivision 4c.

\$1,335,000 is for the urban American Indian revolving fund created in Minnesota Statutes, Section 462A.21, Subdivision 4d.

#### Sec. 21. EDUCATION

(a) Vocational Student Services Minnesota Curriculum Services Center	455,000
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This appropriation is for a consolidation of the two programs formerly known as the Minnesota Instructional Materials Center and the Curriculum Articulation Center.

Vocational Student Organization Center	191,248
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Vocational Agricultural Coordinators	220,726
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These amounts shall be spent pursuant to agreements between the state board of education and the recipients. The agreements are not subject to the contract approval procedures of the commissioner of administration.

Until June 30, 1981, the recipient may charge fees to users of these services designed to cover the cost to the recipient of duplication and distribution, plus ten percent.

(b) Minnesota Career Information System	150,000
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	1980	1981
	\$	\$
<b>Sec. 22. HIGHER EDUCATION CO-ORDINATION BOARD</b>		
Scholarship and Grant-in-Aid Data Processing System	230,600	
This appropriation is available until June 30, 1981.		
<b>Sec. 23. TRANSPORTATION</b>		
(a) Transportation Finance Study Commission	150,000	
This appropriation is available until June 30, 1981.		
(b) Transit Assistance Grants	6,308,000	2,273,100
<p>\$3,500,000 the first year is for a grant to the metropolitan transit commission for its regular route bus service program.</p> <p>\$1,500,000 the first year is for a social fare reimbursement grant to the metropolitan transit commission.</p> <p>Notwithstanding other laws or inter-agency agreements to the contrary, the commissioner of transportation shall immediately release the unencumbered balance remaining in the performance funding and social fare reimbursement grants accounts as appropriated in Laws 1979, Extra Session Chapter 1, Section 4 to the metropolitan transit commission for its regular route bus service program for the biennium ending June 30, 1981. The metropolitan transit commission shall continue to fulfill its obligations as provided in sections 174.24, subdivision 4, and 174.28.</p> <p>\$245,300 the first year and \$264,500 the second year is for subsidies to private operators within the metropolitan area.</p> <p>\$1,062,700 the first year and \$2,008,600 the second year is for public transit subsidy grants outside the Twin Cities metropolitan area.</p> <p>These appropriations are added to the appropriations for Transit Assistance Grants in Laws 1979, Extra Session Chapter 1, Section 4.</p>		

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**Sec. 24. HEALTH**

(a) The appropriation in Laws 1978, Chapter 793, Section 28, Subdivision 4, relating to contaminated wells in St. Louis Park, is available until June 30, 1981.

(b) Grants under Laws 1979, Chapter 336, Section 7, for converting hospitals to nursing homes shall also be made to a publicly owned or nonproprietary organization or person if the facility was used as a licensed hospital at any time during the last three years and if it meets all other requirements for a grant.

**Sec. 25. CORRECTIONS**

(a) Minnesota Corrections Board 298,200

Approved Complement — Add 9.5

(b) Crime Victim Services 39,000

**Sec. 26. PUBLIC WELFARE**

(a) Computer Costs 100,000 200,000

If the appropriation for either year is insufficient, the appropriation for the other year is available, upon the advance approval of the commissioner of finance.

The commissioner of public welfare shall continue to operate the state hospital billing and accounts receivable system.

(b) Costs to Move the Income Maintenance Bureau 238,000

This appropriation is available until June 30, 1981.

(c) American Indian Chemical Dependency Program 500,000

This appropriation is available until June 30, 1981.

(d) Hearing Impaired Program 50,000

This appropriation shall provide for a statewide program including evaluation, consultation, training, care and treatment for hearing impaired persons and

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their families, and training and consultation to staff members and others to increase skills and knowledge.

**(e) State Hospital Complement**

4,200,000

This appropriation provides money to increase the approved state complement of the several state hospitals serving mentally retarded residents by 250 positions. All new positions herein granted shall be to serve the mentally retarded residents and shall be direct-patient care positions, including, but not limited to, the classifications of human services technicians, recreation aide, social work case aide and dental assistant. No new supervisor positions shall be added as a result of this appropriation. As the number of mentally retarded residents declines, the 1 to 8 staff to resident ratio shall be maintained. "Staff" as used here means the direct care state complement, on duty in the residential units. The authority granted in Laws 1979, Chapter 336, Section 2, Subdivision 5 for 120 human services technicians is changed to 50 positions effective July 1, 1980.

**(f) Family Subsidy Program**

75,000

This appropriation provides for participation of 30 additional families.

(g) Notwithstanding the provisions of Chapter 256E, county boards may delegate to county welfare boards established pursuant to Chapter 393, authority to provide community social services and to develop contracts for purchase of community social services. Designation of the method for providing citizen participation in the planning process, approval of contracts, and final approval of the community social services plan shall not be delegated.

(h) Notwithstanding the provisions of section 256.01, subdivision 2, clause (13), the commissioner of public welfare may operate the work equity program through December 1981.

	1980	1981
	\$	\$
(i) Board of Aging		200,000

The legislature finds that the services of volunteers are crucial to the effectiveness of public and private human services programs in the state. The legislature further finds that retired senior citizens are an excellent source of volunteer services, and that by recognizing and supporting retired senior volunteer programs the state will be serving the interests of human services as well as the interests of those senior citizens who participate in the volunteer programs.

The board on aging, with the cooperation of heads of other affected state agencies, shall provide staff and material support and shall make financial grants from this appropriation to retired senior volunteer programs in the state. This support may include reimbursement of expenses incurred by program participants in the performance of their volunteer activities.

The board shall consult with the office of volunteer services prior to expending money available for the retired senior volunteer programs. Expenditures shall be made (1) to strengthen and expand existing retired senior volunteer programs, and (2) to encourage the development of new programs in areas in the state where these programs do not exist. Grants shall be made consistent with applicable federal guidelines.

The board shall report to the governor and the legislature by June 30, 1981, on (1) the number, type and location of human services activities assisted by retired senior volunteer programs supported by this appropriation; (2) the number of retired seniors participating in these activities; (3) the sources and recipients of direct support for the volunteer programs; and (4) any other information that the board believes will assist the governor and the legislature in evaluating the programs.

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Notwithstanding the provisions of Laws 1979, Chapter 336, Section 3, the sum therein appropriated to the department for matching federal funds for the establishment of Comprehensive Services for Independent Living, is hereby made available to the department for the fiscal year beginning July 1, 1980 regardless of federal funding levels. Any unexpended balance remaining in the first year for Comprehensive Services for Independent Living shall not cancel, but shall be available for the second year of the biennium.

#### Sec. 28. MINNESOTA HISTORICAL SOCIETY

Analysis of State Records

40,500

This appropriation is added to the appropriation in Laws 1979, Chapter 337, Section 4, Subdivision 1, Paragraph (a).

Sec. 29. [GRANTS FOR BRAIN INJURED PERSONS.] *Subdivision 1. [GRANT PROGRAM ESTABLISHED.] An experimental five year program of grants to Minnesota families with brain injured persons is established under the administration of the commissioner of public welfare to enable the families to participate in an intensive program offered by a nonprofit organization to stimulate the brain injured persons' neurological development with the objective of achieving physical, intellectual, and social excellence. The commissioner shall promulgate rules, including temporary rules, to carry out the provisions of this section under the provisions of chapter 15.*

*Subd. 2. [GRANTS.] The commissioner of public welfare may make a grant to the parent, parents, or legal guardian of each brain injured person eligible under the provisions of this section to pay expenses incurred in participating in the neurological stimulation program. Each grant made under this section shall cover the costs of enrolling in an organization's program and may cover other expenses incurred due to participation in the program. The commissioner shall require the person's parent or legal guardian to submit a receipt or receipts to the commissioner from the nonprofit organization verifying payment of the costs of enrolling in the organization's program. The commissioner shall require the parent or legal guardian to keep appropriate records and shall annually audit the records.*

*Subd. 3. [ELIGIBILITY.] Grants shall be made for brain injured persons under the following conditions:*

(a) Grants shall be distributed between parents or legal guardians of persons who are in state institutions for mentally retarded persons on the effective date of this section, persons who live at home but cannot function independently of other persons and who are able to attend community based nonresidential service programs, and persons involved in residential programs of neurological stimulation;

(b) The parent, parents, or legal guardian of each person agrees to ensure intensive family involvement in a program of stimulating the person's neurological development and to ensure consistent implementation of the program's requirements. Eligibility is also conditional on acceptance of the family by an organization that offers the program; and

(c) The parent, parents, or legal guardian of each person agrees to comply with the provisions of this section, including any record keeping, reporting and audit requirements.

Subd. 4. [REPORTS.] (a) Each eligible person for whom a grant is made under this section shall be initially evaluated to ascertain the current stage of neurological development and prognosis for improvement. After five years of participation or upon completion of the program, whichever comes first, each person shall be evaluated to ascertain physical, intellectual, or social progress. The commissioner shall contract with a neurosurgeon who is not associated with or employed by an institution under the control of the commissioner for the purpose of performing the initial and progress evaluations required by this subdivision.

(b) The parent, parents, or legal guardian shall report periodically, but at least annually, to the commissioner regarding the program experience.

(c) Information collected under this section is private data on individuals as defined in section 15.162, subdivision 5a and is also available to the parent or legal guardian of the subject of the data.

Subd. 5. [EXPIRATION.] The commissioner shall report to the legislature regarding the implementation of this section no later than January 1, 1985. This section shall expire five years from the first date that at least ten families are participating in the grant program established by this section. The commissioner shall report on the program to the legislature no later than the expiration date of this section to facilitate legislative review of the program.

Sec. 30. [APPROPRIATION.] The sum of \$120,000 is appropriated to the commissioner of public welfare for the brain injured person grant program for the biennium ending June 30, 1981. Grants shall not exceed \$12,000 per year for any participant. The commissioner of public welfare may use up to \$4,000 of this appropriation for administrative expenses.

Sec. 31. Minnesota Statutes, 1979 Supplement, Section 3.3005, Subdivision 4, is amended to read:

Subd. 4. If federal money becomes available to the state for

expenditure while the legislature is not in session, and the availability of money from that source or for that purpose or in that fiscal year could not reasonably have been anticipated and included in the governor's budget request, and an urgency requires that all or a portion of the money be allotted before the legislature reconvenes, *all or a portion of the amount of money subject to the urgency may be allotted to a state agency after it has submitted to the legislative advisory commission a request in the manner of a budget request and has received the commission's recommendation on it. Failure or refusal of the commission to make a recommendation within 30 days is deemed a negative recommendation.*

Sec. 32. Minnesota Statutes 1978, Section 15.0597, Subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF AGENCY DATA.] The secretary of state shall provide for *periodic annual* updating of the required data and shall annually arrange for the publication in the state register of the compiled data from all agencies on or about November 15 of each year. *Beginning in 1979, the compilation may be published together with the agency descriptions required by section 15.0412, subdivision 2.* Copies of the compilation shall be delivered to the governor and the legislature. Copies of the compilation shall be made available by the secretary to any interested person at cost, and copies shall be available for viewing by interested persons *and for sale.* The chairman of an agency who does not submit data required by this section *or section 15.0412, subdivision 2,* or who does not notify the secretary of a vacancy in his agency, shall not be eligible for a per diem or expenses in connection with agency service until December 1 of the following year.

Sec. 33. Minnesota Statutes 1978, Section 15.0597, Subdivision 4, is amended to read:

Subd. 4. [NOTICE OF VACANCIES.] The chairman of an *existing* agency, *in respect to vacancies in existing agencies, or the appointing authority, in respect to newly created agency positions,* shall notify the secretary of a vacancy *within 15 days after the occurrence of the vacancy.* Every 15 days the secretary shall prepare a list of all vacancies in state agencies, together with a list of the vacancies scheduled to occur within the next 45 days as a result of the expiration of membership terms or the creation of new agency positions. This listing shall be published in the next available issue of the state register, *and scheduled to occur in the agency as a result of the expiration of membership terms at least 45 days before the vacancy occurs.* The chairman of an existing agency shall give written notification to the secretary of each vacancy occurring as a result of newly created agency positions and of every other vacancy occurring for any reason other than the expiration of membership terms as soon as possible upon learning of the vacancy and in any case within 15 days after the occurrence of the vacancy. The appointing authority for newly created agencies shall give written notification to the secretary of all vacancies in the new agency within 15 days after the creation of the agency. Every 21 days, the secretary shall publish in the

*state register a list of all vacancies of which the secretary has been so notified. Only one notice of a vacancy shall be so published, unless the appointing authority rejects all applicants and requests the secretary to republish the notice of vacancy. One copy of the listing shall be made available at the office of the secretary to any interested person. The secretary shall distribute by mail copies of the listings to requesting persons. The listing for all vacancies scheduled to occur in the month of January shall be published in the state register together with the compilation of agency data required to be published pursuant to subdivision 3.*

Sec. 34. Minnesota Statutes 1978, Section 15.0597, Subdivision 5, is amended to read:

Subd. 5. [NOMINATIONS FOR VACANCIES.] Any person may nominate himself to be appointed to an agency vacancy by completing an application on a form prepared and distributed by the secretary. Any person or group of persons may, on a ~~similar~~ *the prescribed* application form, nominate another person to be appointed to a vacancy so long as the person so nominated consents in writing on the application form to the nomination. The application form shall specify the nominee's name, mailing address, telephone number, preferred agency position sought, a statement that the nominee satisfies any legally prescribed qualifications, and any other information the nominating person feels would be helpful to the appointing authority. The application form shall permit the nominating person at his discretion to indicate the nominee's sex, political party preference or lack thereof, race and national origin. If a person submits an application at the ~~behest of or upon~~ *the suggestion of* an appointing authority, the person shall so indicate on the application form. ~~The secretary shall, upon 15 Twenty-one days after publication of a vacancy in the state register or upon 15 days prior to a scheduled vacancy, whichever date occurs first, pursuant to subdivision 4, the secretary shall~~ submit copies of all applications received for a position to the appointing authority charged with filling the vacancy. If no applications have been received by the secretary for the vacant position by the date he is required to submit copies to the appointing authority, he shall so inform the appointing authority. Applications received by the secretary shall be deemed to have expired one year after receipt of the application ~~or upon appointment and, if required, advice and consent by the senate to a vacancy, whichever occurs first.~~ An application for a particular agency position shall be deemed to be an application for all vacancies in that agency occurring prior to the expiration of the application *and shall be public information.*

Sec. 35. Minnesota Statutes 1978, Section 15.0597, Subdivision 6, is amended to read:

Subd. 6. [APPOINTMENTS.] In making an appointment to a vacant agency position, the appointing authority shall consider applications for positions in that agency supplied by the secretary. No appointing authority may appoint someone to a vacant agency position until (1) ten days after receipt of the applications for

positions in that agency from the secretary or (2) receipt of notice from the secretary that no applications have been received for vacant positions in that agency. *At least five days before the date of appointment*, the appointing authority shall issue a public announcement and inform the secretary *in writing* of the name of the person the appointing authority intends to appoint to fill the agency vacancy *at least five days before the date of appointment and the expiration date of that person's term*. If the appointing authority intends to appoint a person other than one for whom an application was submitted pursuant to this section, the appointing authority shall complete an application form on behalf of the appointee and submit it to the secretary *indicating on the application that it is submitted by the appointing authority*. If the appointment requires the advice and consent of the senate, the secretary shall, prior to consideration by the senate of the appointment, supply the president of the senate with a copy of the application, together with a copy of any documents which the appointee is required by virtue of his appointment to submit to the ethical practices board. With respect to the ethical practices board, the secretary shall also submit a copy of the application and documents to the speaker of the house of representatives prior to consideration of the appointment by the house of representatives.

Sec. 36. Minnesota Statutes 1978, Section 15.0597, Subdivision 7, is amended to read:

Subd. 7. [REPORT.] Together with the compilation required in subdivision 3, the secretary shall annually deliver to the governor and the legislature a report containing the following information:

- (a) *The number of vacancies occurring in the preceding year;*
- (b) *The number of vacancies occurring as a result of scheduled ends of terms, unscheduled vacancies and the creation of new positions;*
- (c) *Breakdowns by county, legislative district and, if known, the sex, political party preference or lack thereof, race and national origin, for members whose agency membership terminated during the year and appointees to the vacant positions; and*
- (d) *The number of vacancies filled from applications submitted by (1) the appointing authorities for the positions filled, (2) nominating persons and self-nominees who submitted applications at the behest of or upon the suggestion of appointing authorities, and (3) all others.*

Sec. 37. Minnesota Statutes 1978, Section 16.854, Subdivision 1, is amended to read:

16.854 [STATE BUILDING INSPECTOR.] Subdivision 1. [APPOINTMENT.] As soon after July 1, 1971, as is possible The commissioner shall appoint a state building inspector who under the direction and supervision of the commissioner shall administer the code. *The state building inspector shall serve at the pleasure*

of the commissioner within the department of administration and shall be in the unclassified service of the state.

Sec. 38. Minnesota Statutes 1978, Chapter 16, is amended by adding a section to read:

[16.955] [COMPUTER ACTIVITIES; EVALUATION; APPROVAL; SYSTEM DEVELOPMENT METHODOLOGY.] *Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meaning given them.*

(a) "Computer activity" means the development or acquisition of a data processing device or system.

(b) "Data processing device or system" means any equipment or computer programs, including but not limited to computer hardware, firmware, software, and communication protocol, used in connection with the processing of information via electronic data processing means, and includes data communication devices used in connection with computer facilities for the transmission of data.

(c) "State agency" means any state officer, employee, board, commission, authority, department or other agency of the executive branch of state government, but not including the University of Minnesota.

*Subd. 2. [EVALUATION PROCEDURE.] By January 1, 1981, the commissioner of administration shall establish and, as necessary, update and modify procedures to evaluate computer activities proposed by state agencies. The procedures shall evaluate the necessity, design and plan for development, ability to meet user requirements, feasibility, and flexibility, of the proposed data processing device or system, its relationship to other state data processing devices or systems, and its costs and benefits when considered by itself and when compared with alternative solutions.*

*Subd. 3. [EVALUATION AND APPROVAL REQUIREMENTS.] A state agency shall not undertake a computer activity until the activity has been evaluated according to the procedures developed pursuant to subdivision 2 and the commissioners of administration and finance have given written approval of the proposed activity. If a proposed computer activity is not approved, the commissioner of finance shall cancel the unencumbered balance of any appropriation allotted for the activity. The commissioners of administration and finance may delegate their respective approval powers regarding computer activities to the head of another agency including the agency seeking approval where delegation is deemed appropriate.*

*Subd. 4. [REPORT TO LEGISLATURE.] If a proposed computer activity is approved, the commissioners of administration and finance shall submit to the legislature a concise narrative explanation of the computer activity and a request for any additional appropriation necessary to complete the activity.*

*Subd. 5. [SYSTEM DEVELOPMENT METHODOLOGY.] By*

*January 1, 1981, the commissioner of administration shall establish and, as necessary, update and modify a methodology for the development of data processing systems by state agencies. The development methodology shall enable and require a data processing system to be defined in terms of its computer programs, input requirements, output formats, administrative procedures, and processing frequencies.*

**Subd. 6. [SYSTEM DEVELOPMENT METHODOLOGY REQUIREMENTS.]** *A state agency shall not develop, improve or modify of a data processing system using any methodology other than that established by the commissioner of administration.*

Sec. 39. Minnesota Statutes, 1979 Supplement, Section 16A.126, is amended to read:

**16A.126 [COMMISSIONER TO APPROVE BILLING RATES FOR REVOLVING FUNDS.]** The commissioner of finance shall approve the rates at which services are billed state departments or agencies by any revolving fund. In order to reduce revolving fund reserves maintained for unforeseen needs and thereby reduce the rates which using agencies must pay, the commissioner may transfer moneys not otherwise appropriated in the general fund to a revolving fund if, in the commissioner's judgment, a bona fide, immediate expenditure is necessary and if there are insufficient moneys in the revolving fund to meet the expenditure. *Any money so transferred for the purchase of equipment shall be repaid to the general fund in installments over its useful life on a schedule established by the commissioner of finance. Any Other* moneys so transferred shall be repaid to the general fund on a schedule established by the commissioner of finance but within a period not to exceed five years.

Sec. 40. Minnesota Statutes 1978, Section 16A.131, is amended to read:

**16A.131 [SALARY DEDUCTIONS, AUTHORIZATION.]** *Subdivision 1.* Every officer and employee of the state may purchase and pay for bonds, stamps, and other securities issued by the federal government by directing in writing to the appropriate officer of the department where he is employed that deductions of the amount specified by him be made from his salary. The head of each department of the state is hereby required to cause such deduction to be made from the salary of each said persons on every payroll abstract and to approve one voucher payable to the state treasurer for the aggregate amount so deducted from the salaries covered by said payroll abstract, provided that deductions from salaries of officers or employees paid direct by any institution or agency of the state shall be made by the officer or employee authorized by law to pay such salaries, and remitted by him to the director by check payable to the state treasurer with a statement showing the amount of each of such deductions and the names of the officers and employees on whose account the same have been made. The money so deposited with the state treasurer shall be paid out on authorization of the governor by state warrant payable to the proper federal authority or to the officer or em-

ployee from whose salary the money was deducted, as the case may require.

*Subd. 2. The commissioner of finance, with the written consent of a state employee, may deduct from the salary of the employee a sum agreed to by the employee for the purchase of mass transit ridership cards. The commissioner of finance shall deposit all money resulting from these payroll deductions in the special account authorized by section 16.72, subdivision 7.*

Sec. 41. Minnesota Statutes 1978, Section 16A.67, Subdivision 1, is amended to read:

16A.67 [CERTIFICATES OF INDEBTEDNESS.] Subdivision 1. For the purpose of supplying deficiencies in the general fund, certificates of indebtedness of the state may be issued in accordance with the provisions of Article II, Section 6, of the Constitution and the further provisions of this section. No such deficiency is deemed to exist by reason of the fact that expenditures pursuant to appropriation and allotment for a particular purpose may at any time exceed the cash receipts from any source of special revenue appropriated to the fund for such purpose, notwithstanding that a "fund" may have been created by law for such purpose and may have been established by the commissioner of finance as a bookkeeping account in the general books of account of the state for the purpose of reflecting the revenues deposited and expenditures appropriated for such purpose in accordance with the provisions of section 16A.53. A deficiency shall be deemed to exist only when the total amount of outstanding warrants drawn on ~~such~~ *the general fund*, pursuant to appropriation and allotment for all purposes and accounts of the fund, exceeds the cash balance in the fund. In this event a deficiency shall be deemed to exist in the general fund, notwithstanding that there may then be a balance of cash or investments on hand in one or more special or dedicated funds created by the Constitution or required to be created and maintained as separate funds by federal law or by rules or regulations promulgated by federal authority pursuant thereto; and this section does not authorize a transfer of money from any of those special or dedicated ~~fund funds~~ *fund funds* to the general fund, except by the issuance and sale of certificates of indebtedness as herein provided.

Sec. 42. Minnesota Statutes 1978, Section 97.431, Subdivision 4, is amended to read:

Subd. 4. [COMMISSIONER'S POWERS AND DUTIES.] Notwithstanding the provisions of any other law to the contrary, the commissioner of natural resources, on behalf of the state of Minnesota, shall take all actions, by order or otherwise, which are necessary to carry out the duties and obligations of the state of Minnesota arising from the agreement entered into by the parties to the settlement agreement. These actions include but are not limited to the following:

(a) The implementation of the exemption of members of the band and other members of the Minnesota Chippewa tribe from state laws relating to hunting, fishing, trapping, the taking of

minnows and other bait, and the gathering of wild rice while within the reservation, together with exemption from related possession and transportation laws, to the extent necessary to effectuate the terms of the settlement agreement;

(b) The establishment of a system of special licenses and related license fees for persons who are not members of the Minnesota Chippewa tribe for the privilege of hunting, fishing, trapping, or taking minnows and other bait, within the reservation. All money collected by the commissioner for special licenses shall be deposited in the state treasury and credited to the Leech Lake Band and White Earth Band special license account, which is hereby created. All money in the state treasury credited to the Leech Lake Band and White Earth Band special license account, less any deductions for administrative costs authorized by the terms of the settlement agreement, is appropriated to the commissioner who shall remit the money to the committee pursuant to the terms of the settlement agreement;

(c) To the extent necessary to effectuate the terms of the settlement agreement, the promulgation of regulations for the harvesting of wild rice within the reservation by non-Indians;

(d) To the extent necessary to effectuate the terms of the settlement agreement, the establishment of policies and procedures for the enforcement by conservation officers of the conservation code adopted by the band; and

(e) The arbitration of disputes arising under the terms of the settlement agreement.

Sec. 43. Minnesota Statutes 1978, Section 97.432, is amended to read:

97.432 [AMENDMENT TO LEECH LAKE SETTLEMENT AGREEMENT.] The commissioner may enter into an agreement with the reservation business committee of the Leech Lake Indian Reservation to amend the settlement agreement adopted in section 97.431 by providing that in lieu of collecting any additional fee in connection with the state waterfowl stamp for the privilege of hunting waterfowl on the Leech Lake Indian Reservation five percent of the proceeds from the sale of said stamp shall be credited to the Leech Lake Band and White Earth Band special license account established by section 97.431 and shall be remitted to the Leech Lake reservation business committee in the manner and subject to the terms and conditions provided in section 97.431.

Sec. 44. Minnesota Statutes 1978, Chapter 97, is amended by adding a section to read:

[97.433] [AGREEMENTS WITH THE LEECH LAKE AND WHITE EARTH BANDS OF CHIPPEWA INDIANS RELATING TO HUNTING AND FISHING LICENSES AND FEES.] *Subdivision 1.* [AGREEMENT WITH THE WHITE EARTH BAND OF CHIPPEWA INDIANS.] *The commissioner may enter into an agreement with authorized representatives of the White*

*Earth Band of Chippewa Indians on substantially the same terms as the agreement adopted by section 97.431 and amended pursuant to section 97.432; except that in lieu of the system described in section 97.431, subdivision 4, clause (b), of special licenses and related license fees for persons who are not members of the Minnesota Chippewa tribe, for the privilege of hunting, fishing, trapping, or taking minnows and other bait within the reservation, the agreement shall provide that two and one-half percent of the proceeds from the sale of all licenses sold in the state of Minnesota for hunting, fishing, trapping, or taking of minnows or other bait shall be credited to the special license account established by section 97.431, and shall be remitted to the White Earth Band in the manner and subject to the terms and conditions that may be mutually agreed upon. An agreement negotiated pursuant to this subdivision shall be for a term of at least four years following the date of its execution.*

**Subd. 2. [AMENDMENT TO THE LEECH LAKE SETTLEMENT AGREEMENT.]** *The commissioner may enter into an agreement with authorized representatives of the Leech Lake Band of Chippewa Indians to amend the settlement agreement adopted by section 97.431 and previously amended pursuant to section 97.432 by providing that in lieu of the system of special licenses and license fees for persons who are not members of the Minnesota Chippewa tribe for the privilege of hunting, fishing, trapping, or taking minnows and other bait within the reservation, five percent of the proceeds from the sale of all licenses sold in the state of Minnesota for hunting, fishing, trapping, or taking minnows and other bait shall be credited to the special license account established by section 97.431 and shall be remitted to the Leech Lake Band in the manner and subject to the terms and conditions that may be mutually agreed upon.*

**Sec. 45. Minnesota Statutes, 1979 Supplement, Section 138.92, is amended to read:**

**138.92 [LOCAL AND REGIONAL HISTORICAL INTERPRETIVE CENTERS.]** *Subdivision 1. A historical interpretive center shall be operated and maintained by the agency, society, corporation, or political subdivision that owns it. State money shall not be used for operating or maintenance expenses of any historical interpretive center not owned by the state of Minnesota or the Minnesota historical society.*

*Subd. 2. A local historical organization or regional interpretive center receiving state money for any purpose of historical interpretation or historic preservation is subject to the controls of the Minnesota historical society's local grant in aid program and the Minnesota Outdoor Recreation Act of 1975.*

**Sec. 46. Minnesota Statutes 1978, Section 155.14, is amended to read:**

**155.14 [PRACTITIONERS FROM OTHER STATES.]** *Subdivision 1. The board may dispense with and waive the examination for license upon the application of any person who is able to furnish documentary evidence and proof of having lawfully prac-*

ticed in another state, territory, District of Columbia or foreign country for a period of at least two years prior to the time of such application for license in Minnesota, upon the payment of the fee as set by the board for license as provided in this chapter.

*Subd. 2. The board may waive the requirement related to practical experience in this state as specified in section 155.09, subdivision 4, for manager-operators. No waiver shall be allowed, however, unless the following conditions are met:*

*(a) The applicant has a current valid cosmetology related license from a state, territory, the District of Columbia, or a foreign country that has licensing requirements substantially similar to this state's requirements; and,*

*(b) The applicant is able to furnish documentary evidence of having lawfully performed as a manager-operator or its equivalent in a state, territory, the District of Columbia, or foreign country for a period of at least two years, one year of which was within the two years immediately preceding the date of application.*

*Nothing in this subdivision prohibits the board from requiring an examination for license of a manager-operator even if the board waives the requirement of practical experience in this state.*

Sec. 47. Minnesota Statutes 1978, Section 174.03, is amended by adding a subdivision to read:

*Subd. 5a. [BIENNIAL REQUEST.] The metropolitan transit commission shall submit all biennial legislative funding requests to the commissioner of transportation for informal review. The commissioner shall determine whether the funding request is consistent with the statewide transportation plan and whether further review of the request by the metropolitan transit commission is necessary. The metropolitan transit commission shall be informed of the commissioner's comments and recommendations in writing, and shall have the opportunity to amend the request. The funding request, as amended, shall then be presented by the commissioner to the legislature along with the commissioner's final comments and recommendations.*

Sec. 48. Minnesota Statutes, 1979 Supplement, Section 180.03, Subdivision 2, is amended to read:

Subd. 2. Every person, firm or corporation that is or has been engaged in the business of mining or removing iron ore, taconite, semitaconite or other minerals except sand, crushed rock and gravel by the open pit method in any county which has appointed an inspector of mines pursuant to section 180.01 shall erect two inch by four inch mesh fencing along the outside perimeter of the excavation, open pit, or shaft of any mine in which mining operations have ceased for a period of six consecutive months or longer. The top and bottom wire shall not be less than 9 gauge and the filler wire shall not be less than 11 gauge. The fencing shall be not less than five feet in height with two strands of barbed wire six inches apart affixed to the top of the fence. The fence posts shall be no more than ten feet apart. In the case of open pit mines in

which mining operations cease after November 1, 1979, and before March 1, 1980, the fencing shall be erected as soon as possible after March 1, 1980. Where mining operations cease on or after March 1, 1980, the fencing shall be erected forthwith. In the case of open pit mines in which mining operations had ceased for a period of six consecutive months or longer before November 1, 1979, and not resumed, the fencing shall be erected within *two three* years after November 1, 1979. Any fencing required by an inspector of mines pursuant to subdivision 3 or other applicable law shall meet the standards of this section as a minimum. This subdivision does not apply to any excavation, open pit, or shaft, or any portion thereof, exempted from its application by the commissioner of natural resources pursuant to laws relating to mine-land reclamation or exempted from its application by the county mine inspector pursuant to subdivision 4.

Sec. 49. Minnesota Statutes 1978, Section 214.06, Subdivision 1, is amended to read:

214.06 [FEES; LICENSE RENEWALS.] Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health related licensing boards and all non-health related licensing boards may by rule, with the approval of the commissioner of finance, adjust any fee which the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium. Examination fees, if any, shall be set by rule so that the total amount of annual examination fee income approximately meets the anticipated cost of administering the examinations during the fiscal biennium. *Fee adjustments authorized under this subdivision may be made without a public hearing when the total fees will not exceed the amount of the direct appropriation.* All fees received shall be deposited with the state treasurer and credited to the general fund.

Sec. 50. Minnesota Statutes 1978, 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 father, mother, child, children, or any combination thereof, of property as follows shall be a bar to any allowance under sections 256.72 to 256.87:

(1) Net equity in real estate used as a home which exceeds \$15,000; provided that real estate used as a home in excess of this amount will not be a bar to eligibility where the county welfare board determines that such real estate is not available for support of the family or the sale of such real estate would cause undue hardship. *Real property other than the homestead, except as described in clause (3); or*

(2) Personal property of a reasonable market value in excess of ~~\$300~~ \$600 for a one child recipient or ~~\$500~~ \$1,000 for more than one child recipient, exclusive of personal property used as the home, one automobile the market value of which does not exceed

\$1,650, insurance carried by a parent which does not exceed a cash surrender value of \$500, clothing and necessary household furniture and equipment, 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 and regulations of the commissioner of public welfare, and such property that produces a net income applicable to the family's needs; or.

(3) Real estate not used as a home which produces net income applicable to the family's needs or which the family is making a continuing effort to sell at a fair and reasonable price 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. 51. Minnesota Statutes 1978, Section 256D.06, is amended by adding a subdivision to read:

*Subd. 3. When a general assistance grant is used to pay a negotiated rate for a recipient living in a room and board arrangement or congregate living care, the allowance for clothing and personal needs shall not be less than that authorized for a medical assistance recipient pursuant to section 256B.35.*

Sec. 52. Minnesota Statutes 1978, Section 403.11, Subdivision 3, is amended to read:

*Subd. 3. [METHOD OF PAYMENT; CERTIFICATION.] A public utility incurring reimbursable costs under subdivision 1 or 2 for a year ending June 30, 1978, or any June 30 thereafter, shall certify those costs to the commissioner of administration no later than the following August 31. The certification shall be in a form as prescribed by the commissioner after consultation with the public service commission. If the commissioner and the commission approve the certified costs as appropriate and accurate, the commissioner shall so advise the commissioner of finance no later than the following October 31. If the costs are certified and approved in an even numbered year, the governor and the commissioner of finance shall include the certified costs in the regular budget submitted to the legislature. If the costs are certified and approved in an odd numbered year, they shall be submitted in a special message to the appropriations committees of the legislature no later than November 30 of each odd numbered year pay the certified costs from money appropriated for that purpose within 90 days following receipt by the commissioner of the certified costs. The commissioner of administration shall estimate the amount required to reimburse public utilities for the state's obligations under subdivisions 1 and 2 of this section and the governor shall include the estimated amount in the biennial budget request.*

Sec. 53. Minnesota Statutes 1978, Section 473.408, is amended by adding a subdivision to read:

*Subd. 8. The commission shall, on July 1 of each year beginning July 1, 1981, establish annual fares for its regular route bus service program. The fares shall not be changed or adjusted before July 1 of the next succeeding year.*

Sec. 54. Minnesota Statutes 1978, Section 473.435, is amended to read:

473.435 [BUDGET PREPARATION; SUBMISSION.] The commission shall prepare, submit and adopt a budget in the manner provided in, and otherwise comply with, the provisions of section 473.163 and section 47 of this act.

Sec. 55. Laws 1979, Chapter 300, Section 4, Subdivision 1, is amended to read:

Sec. 4. [APPROPRIATIONS.] Subdivision 1. [SMALL STATE AND LOCAL DAM PROJECTS.] ~~The sums set forth in this subdivision are sum of \$500,000 is~~ appropriated from the state building fund to the commissioner of natural resources for repair and reconstruction of state dams pursuant to section 105.482, subdivision 3, where the expenditures do not require legislative approval under section 105.482, subdivision 5, to be available for the fiscal year ending June 30 in the years indicated until expended. ~~If the appropriation for either year is insufficient, the appropriation for the other year is available for it.~~

1980  
\$250,000

1981  
\$250,000

Sec. 56. Laws 1979, Chapter 300, Section 4, Subdivision 5, is amended to read:

Subd. 5. [BOND SALE; DEBT SERVICE.] To provide the money appropriated from the state building fund in subdivisions 1, 2, 3 and 4 the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to ~~\$3,275,000~~ \$3,775,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67, and by the Constitution, Article XI, Sections 4 to 7.

Sec. 57. Laws 1979, Chapter 332, Article I, Section 115, Subdivision 2, is amended to read:

Subd. 3. [OPEN APPROPRIATIONS; COMPENSATION INCREASES.] (a) The compensation and economic benefit increases covered by this clause are those paid to classified and unclassified employees in the executive, legislative, and judicial branches of state government, and to employees of the Minnesota historical society and nonacademic employees of the University of Minnesota who are paid from state appropriations, if the increases are authorized by law during the 1979 session of the legislature or by appropriate resolutions for employees of the legislature. The amounts necessary to pay compensation and economic benefit increases covered by this clause are appropriated from the various

funds in the state treasury from which salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1980, and June 30, 1981.

(b) The cost of living increases covered by this clause are those paid to classified employees pursuant to sections 43.12, subdivision 10 and 43.127, those paid to unclassified employees who are paid salaries comparable to employees in the classified service, and those paid to unclassified employees in the executive, legislative, and judicial branches of state government, and to employees of the Minnesota historical society and nonacademic employees of the University of Minnesota who are paid from state appropriations, if the increases are authorized by law during the 1979 session of the legislature or by appropriate resolutions for employees of the legislature. The amounts necessary to pay cost of living increases covered by this clause are appropriated from the various funds in the state treasury from which their salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1980, and June 30, 1981, *except that the amount provided by the general fund shall not exceed \$17,535,800.*

(c) The amounts necessary to pay increased premium rates for basic life insurance and basic health benefit coverage authorized for eligible state employees and their dependents, in the event that these rates are increased over the rates in existence at the time of the passage of this act, are appropriated from the various funds in the state treasury from which these premiums are paid, to the commissioner of finance for the fiscal years ending June 30, 1980 and June 30, 1981.

(d) 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.

(e) Money certified as needed by the University of Minnesota and transferred to it under this subdivision shall be used only for the purpose certified. Any amount transferred that exceeds the actual amount of cost of living increases or insurance premium increases paid to or for university employees until June 30, 1981 shall be returned to the general fund.

Sec. 58. [EMPLOYEE STATUS.] *Persons employed by a state agency and paid from an appropriation in Laws 1979, Chapter 301, Section 3, Clause 10 are in the unclassified service and their continued employment is contingent upon the availability of money from that appropriation.*

Sec. 59. [SPRING VALLEY ABANDONED RIGHT OF WAY.] *Subdivision 1. [LEGISLATIVE FINDINGS AND CONCLUSIONS.] The legislature finds, for the reasons stated below, that it is in the best interest of the state to acquire a portion of the abandoned Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way between the vicinities of Ramsey in Mower County and LaCrescent in Houston County. The reasons are: (1) An*

approximately 33 mile portion of the right-of-way, east of Fountain, satisfies the criteria stated in Minnesota Statutes, Section 86A.05, Subdivision 4, Clause (b), for the establishment of a state trail pursuant to Minnesota Statutes, Sections 84.029, Subdivision 2; and 85.015, Subdivision 7; (2) Other portions of the right-of-way west of Spring Valley, satisfy the criteria stated in Minnesota Statutes, Section 86A.05, Subdivisions 5, Clause (b), for the establishment of a state scientific and natural area; (3) Development of these units of the outdoor recreation system can be accomplished in such a way as to minimize adverse effects on adjoining agricultural lands; and (4) The right-of-way from Spring Valley to Ramsey has been proposed for, and has high potential for use by the Austin Utilities Board as a high voltage power line.

**Subd. 2. [ACQUISITION AUTHORITY.]** Following the planning process and hearings specified in Laws 1979, Chapter 301, Section 7, the commissioner of natural resources shall acquire, for development of a state recreational trail and to hold for a potential utility use, the portions of the abandoned Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way described in subdivision 1, determined appropriate by commissioner after planning studies, including trestles, bridges and culverts from the railroad or from any person to whom the right-of-way may revert upon abandonment. The commissioner shall have the first rights of purchase and may acquire by gift, purchase or, if required to perfect title or to require the railroad to sell the line in segments, condemnation pursuant to Minnesota Statutes, Chapter 117.

**Subd. 3. [MITIGATION OF ADVERSE IMPACTS.]** To the maximum extent the commissioner shall develop and maintain the portion of right-of-way used for trail purposes so as to minimize adverse effects on adjoining agricultural land and property owners. To this end the commissioner shall:

(a) Notwithstanding the provisions of Minnesota Statutes, Section 94.342, Subdivision 3, offer to exchange land with landowners whose land is crossed or adjacent to the trail right-of-way where the exchange will minimize or mitigate impact on farming use, privacy or other beneficial use of the lands of the adjacent owner and is consistent with the trail use;

(b) Allow easements for drainage culverts and tile lines to cross the trail right-of-way without cost to adjacent landowners, provided that the commissioner may restrict the location and construction method of the culverts and tile lines to protect the resource;

(c) Provide and maintain fencing on both sides of the line at the expense of the state where requested by the adjoining landowner;

(d) Allow easements for crossing livestock and farm equipment of adjoining owners where necessary and convenient; and

(e) Assign, prior to the opening of the trail, a full time trail manager to this trail.

**Subd. 4. [FURTHER STUDY.]** The commissioner shall study,

and hold a hearing, in the manner provided in Laws 1979, Chapter 301, Section 7, on the appropriateness of developing a trail on the portion of the right-of-way from Ramsey to Dexter. If the commissioner determines such a trail use is appropriate, it shall conform to all requirements of subdivision 3, except the requirement for land exchanges under clause (a). Notwithstanding the provisions of Minnesota Statutes, Chapter 86A or other laws to the contrary, this portion of the right-of-way if used for a trail may be used for high voltage power line purposes.

Subd. 5. The commissioner shall designate and manage as scientific and natural areas those portions of the right-of-way from Ramsey to Spring Valley recommended by the Scientific and Natural Area Advisory Committee totaling approximately 10.3 miles. Notwithstanding the provisions of Minnesota Statutes, Chapter 86A, the commissioner may operate a trail on the land described in subdivision 1 that is designated as a scientific and natural area, provided that trail uses shall be limited and controlled in a manner to assure the protection of the scientific and natural area resource values. Further, notwithstanding the provisions of Minnesota Statutes, Chapter 86A, or any other laws to the contrary, the scientific and natural areas may be used for a high voltage power line, provided towers are located and constructed and the line maintained in a manner to insure protection of the resource.

Sec. 60. [TRANSPORTATION FINANCE STUDY COMMISSION.] Subdivision 1. An interim transportation finance study commission is created to examine the total state transportation system, present and future needs of the system, and the sources of transportation revenue of this state.

Subd. 2. In addition to the examination of the management and program system and its sources of revenue, the commission shall:

(a) Study and make recommendations regarding present and future finance methods and improved use of resources for the construction and maintenance of the state transportation system;

(b) Conduct a survey of communities within the state in order to determine:

(1) Which communities are not adequately being served by either rail access or nine ton roads;

(2) The costs of upgrading roads to either nine or ten ton capacity in those communities that are not adequately serviced; and

(3) Any other information concerning the possible improvement and revitalization of transportation services to those communities that the commission deems relevant; and

(c) File a report by January 1, 1981, with the legislature.

Subd. 3. The commission shall consist of five members of the senate, including the chairman of the senate committee on transportation, to be appointed by the subcommittee on committees of the committee on rules and administration of the senate and five

members of the house of representatives, including the chairman of the house committee on transportation, to be appointed by the speaker. The governor shall appoint five additional members representing a broad cross-section of the public interest. The compensation of non-legislator members, their removal, and the filling of vacancies shall be as provided in Minnesota Statutes, Section 15.059. The members of the commission shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties. For legislative members, reimbursement shall be made pursuant to the rules governing legislators and legislative employees. Expenses of the commission shall be approved by the chairman and the expenses shall be paid in the same manner as other state expenses are paid.

Subd. 4. The commission shall exist and act from the date its members are appointed. The commission is terminated on January 1, 1981.

Subd. 5. The commission shall hold meetings at the times and places it may designate. It shall select a chairman and other officers from its membership.

Subd. 6. The commission may request information and staff assistance from any state officer or agency to assist it in carrying out the duties specified in subdivision 2. The officer or agency shall promptly furnish any data and staff assistance requested to the extent permitted by law.

Sec. 61. [CORRECTIONAL SERVICES FINANCING; STUDY COMMITTEE EXTENSION.] Notwithstanding the provisions of Laws 1979, Chapter 336, Section 4, Subdivision 4, the committee created to study the financing of correctional services and the Community Corrections Act in Minnesota may continue to meet until it has completed its report to the legislature, but not after January 1, 1981. The department of corrections approved complement is increased by one effective July 1, 1980 through January 31, 1981, but this position shall be financed from salary savings.

Sec. 62. [REPEALER.] Minnesota Statutes, 1979 Supplement, Section 16.965, is repealed, effective January 1, 1981.

Sec. 63. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Amend the title by deleting it and inserting:

"A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; appropriating money; amending Minnesota Statutes 1978, Sections 15.0597, Subdivisions 3, 4, 5, 6 and 7; 16.854, Subdivision 1; 16A.131; 16A.67, Subdivision 1; 97.431, Subdivision 4; 97.432; 174.03, by adding a subdivision; 155.14; 214.06, Subdivision 1; 256.73, Subdivision 2; 256D.06, by adding a subdivision; 403.11, Subdivision 3; 473.408, by adding a subdivision; 473.435; and Chapters 16, by adding a section; and

97, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 3.3005, Subdivision 4; 16A.126; 138.92; 180.03, Subdivision 2; Laws 1979, Chapters 300, Section 4, Subdivisions 1 and 5; and 332, Article I, Section 115, Subdivision 2; repealing Minnesota Statutes, 1979 Supplement, Section 16.965."

The motion prevailed. So the amendment was adopted.

Mr. Humphrey moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 39, after line 17, insert:

"Sec. 60. [STATE PLAN FOR SPENDING FEDERAL MONEY.] *Subdivision 1. The governor shall submit to the appropriate federal agency a state delivery plan for money the state receives under the Federal Home Energy Assistance Act of 1980, that includes the following elements:*

(a) *Those households in which one or more individuals are eligible for (a) aid to families with dependent children, (b) supplemental security income payments, (c) food stamps, or (d) certain veteran's benefits as limited by the Home Energy Assistance Act of 1980 shall be categorically eligible for assistance under the state plan, and procedures for simplified application shall be developed.*

(b) *Users of wood as a primary heating source, whether the wood is purchased or not, shall be eligible for assistance if otherwise eligible under federal law.*

(c) *Grants under the state plan may be in the form of a direct payment to an eligible household or as a line of credit to an energy supplier. The plan shall describe the conditions under which direct payment is permitted.*

(d) *Eligible households that have medically necessary cooling costs, as limited by federal law, shall be eligible for assistance.*

(e) *The state plan shall provide that three percent of the federal money shall be set aside for the emergency uses specified in federal law.*

*Subd. 2. Before the state plan is submitted to the appropriate federal agency, the governor shall deliver the plan to the appropriate committees of the legislature for review and comment. Thereafter, the governor shall notify the committees of any changes made in the plan."*

Renumber the sections in sequence

#### CALL OF THE SENATE

Mr. Humphrey imposed a call of the Senate for the balance of the proceedings on H. F. No. 2476. The following Senators answered to their names:

Ashbach	Frederick	Luther	Renneke	Stokowski
Bang	Gearty	Menning	Rued	Strand
Barrette	Gunderson	Merriam	Schaaf	Stumpf
Benedict	Hanson	Moe	Schmitz	Tennessee
Bernhagen	Humphrey	Nelson	Sikorski	Ueland, A.
Chmielewski	Johnson	Omman	Sillers	Vega
Coleman	Kirchner	Penny	Solon	Wegener
Davies	Knoll	Perpich	Spear	Willet
Dunn	Laufenburger	Pillsbury	Staples	
Engler	Lessard	Purfeerst	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment of Mr. Humphrey.

The roll was called, and there were yeas 45 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Perpich	Spear
Bang	Gearty	Knoll	Pillsbury	Staples
Barrette	Gunderson	Luther	Purfeerst	Stern
Brataas	Hanson	Menning	Schaaf	Stokowski
Chmielewski	Humphrey	Merriam	Schmitz	Strand
Coleman	Johnson	Moe	Setzepfandt	Tennessee
Davies	Keefe, J.	Nelson	Sieloff	Vega
Dieterich	Kirchner	Olson	Sikorski	Wegener
Dunn	Kleinbaum	Penny	Sillers	Willet

Those who voted in the negative were:

Bernhagen	Omman	Renneke	Rued	Ueland, A.
Frederick				

The motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 36, line 26, delete "SPRING VALLEY"

Page 36, line 29, delete "a portion" and insert "the portions"

Page 36, line 31, delete "vicinities of Ramsey" and insert "Red Cedar River and the high voltage transmission line from Prairie Island to Adams which crosses the right-of-way east of Dexter"

Page 36, line 32, delete "LaCrescent" and insert "between Isinour Junction in Fillmore County and Money Creek Woods"

Page 37, line 1, delete "Fountain" and insert "Isinour Junction, as more specifically described and recommended for acquisition in the report of the hearing examiner on the Root River Trail dated March 5, 1980"

Page 37, line 6, delete "Spring Valley" and insert "Dexter"

Page 37, line 12, delete "and"

Page 37, lines 12 and 13, delete "*Spring Valley*" and insert "*the high voltage transmission line east of Dexter*"

Page 37, line 13, delete "*Ramsey*" and insert "*the Red Cedar River*"

Page 37, line 15, delete "*power*" and insert "*transmission*"

Page 37, line 15, after "*line*" insert "; and (5) *the right-of-way from the Red Cedar River to Dexter has potential for trail development*"

Page 37, line 16, delete "*Following the*"

Page 37, delete line 17

Page 37, line 18, delete everything before "*the*"

Page 37, line 19, after "*resources*" insert ", *having completed the study and hearing process specified in Laws 1979, Chapter 301, Section 7,*"

Page 37, line 23, delete everything after "*I*"

Page 37, line 24, delete "*studies*"

Page 38, line 27, delete "*Ramsey*" and insert "*the Red Cedar River*"

Page 38, line 27, after "*to*" insert "*the western edge of*"

Page 38, line 33, delete "*power*" and insert "*transmission*"

Page 39, line 4, delete "*Ramsey*" and insert "*the Red Cedar River*"

Page 39, line 4, delete "*Spring Valley*" and insert "*the western edge of Dexter*"

Page 39, line 6, delete "*10.3*" and insert "*7.75*"

The motion prevailed. So the amendment was adopted.

Mr. Gunderson moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Pages 36 to 39, delete all of section 59

Renumber the sections in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 37, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knutson	Omann	Schmitz
Bang	Gunderson	Laufenburger	Penny	Setzepfandt
Benedict	Johnson	Menning	Purfeerst	Solon
Bernhagen	Keefe, J.	Moe	Renneke	Strand
Engler	Knaak	Olson	Rued	Wegener

Those who voted in the negative were:

Anderson	Hanson	Merriam	Schaaf	Stumpf
Barrette	Hughes	Nelson	Sieloff	Tennessee
Chmielewski	Humphrey	Nichols	Sikoraki	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Sillers	Vega
Davies	Kirchner	Olhoff	Spear	Willet
Dieterich	Kleinbaum	Perpich	Staples	
Dunn	Luther	Peterson	Stern	
Gearty	McCutcheon	Pillsbury	Stokowski	

The motion did not prevail. So the amendment was not adopted.

Mr. Schaaf moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 1, after line 23, insert:

**"ARTICLE I"**

Page 41, after line 23, insert:

**"ARTICLE II: PEOPLE MOVER SYSTEM"**

Section 1. [DEFINITIONS.] *Subdivision 1. The definitions in this section apply to sections 1 to 14.*

*Subd. 2. "City" means the city of St. Paul in Ramsey County acting through the city council or any agency, authority or corporation established by or with the approval of the city, acting through its governing body, to implement any of the provisions of this act.*

*Subd. 3. "Commission" means the metropolitan transit commission created by Minnesota Statutes, Section 473.404, having jurisdiction over the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.*

*Subd. 4. "People mover system" means an automated fixed guideway transit system designed to serve the main commercial area of the city of St. Paul and the area of the city surrounding it as determined by the board, and all property, real and personal, and all contract rights, determined to be necessary or desirable for the acquisition, betterment, operation and maintenance of the system.*

*Subd. 5. "Transit system" has the meaning given in Minnesota Statutes, Section 473.121.*

*Subd. 6. "Acquisition" and "betterment" have the meanings given in Minnesota Statutes, Section 475.51.*

*Subd. 7. "Vehicle system" means the transit cars, the guideway, the guideway columns, the guideway electrification, the control and communication mechanisms, the platform doors, the maintenance and control center equipment, and other similar necessary components of the people mover system.*

*Subd. 8. "Capitol area" has the meaning given in Minnesota Statutes, Section 15.50.*

*Subd. 9. The "joint management board" or "board" means the board created under section 2.*

*Subd. 10. "Revenue service" means days the people mover system is actually operating and available for use by the general public.*

**Sec. 2. [JOINT MANAGEMENT BOARD; IMPLEMENTATION AUTHORITY.]** *The city and the commission shall enter into a written joint powers agreement establishing a joint management board to manage and supervise the people mover system. The board shall have the powers and responsibilities provided for in this act and in the agreement. The board shall be composed of seven members. Two shall be members of the commission appointed by the chairman of the commission with the approval of the commission. Not more than one of these members shall be a resident of the city of St. Paul. Two members of the St. Paul city council and two members representing property owners in the area served by the people mover shall be appointed by and serve at the pleasure of the mayor of the city of St. Paul and shall be confirmed by the council. Notwithstanding the provisions of section 471.59, subdivision 2, the seventh member and chairman of the board shall be appointed by the chairman of the metropolitan council established by Minnesota Statutes, Section 473.123 and shall not be a resident of the city of St. Paul. The city and the commission acting together, pursuant to the joint powers agreement or any amendment thereof, may exercise all powers conferred upon either or both of them by law or charter, to provide for the acquisition, betterment, operation, maintenance and promotion of a people mover system. The commission shall agree as part of the joint powers agreement to issue bonds as needed for the acquisition and betterment of the people mover system as provided in section 11. The joint powers agreement shall include an agreement providing for coordination of the people mover system with transit service operated by the commission to encourage and enhance ridership on both systems and a parking, traffic and pedestrian management plan to improve and facilitate access to the people mover system, including construction of fringe parking facilities and skyways. By December 15, 1980, the board shall report to the legislature on the joint powers agreement, the activities conducted pursuant to it and to this act, and any additional legislation that may be necessary or appropriate. In addition to filing copies of the report as provided in section 3.195, the board shall provide an oral presentation to the appropriate standing committees of the legislature.*

**Sec. 3. [METROPOLITAN COUNCIL REVIEW AND RECOMMENDATION.]** *The metropolitan council established by Minnesota Statutes, Section 473.123, in making its review under Minnesota Statutes, Section 473.171, of the application for federal grant in connection with the people mover system as a matter of metropolitan significance, shall conduct a public hearing upon such application and the program proposed thereby within*

30 days of submission of the application to the council. Not less than 14 days before the hearing the council shall publish notice thereof in a newspaper having general circulation in the metropolitan area, stating the date, time and place of hearing, and the place where the application may be examined by any interested person. Within 14 days after the hearing the council shall make its recommendation upon the application and cause notice of the same to be published in the same manner as the hearing notice.

**Sec. 4. [EQUIPMENT PURCHASE.] Subdivision 1. [REQUEST FOR PROPOSALS.]** Notwithstanding the provisions of Minnesota Statutes, Sections 471.345 and 471.35 or any other provision of law or charter, a contract for purchase of a vehicle system comprising part of the people mover system shall be awarded to the bidder whose proposal is determined to be most favorable on the basis of specifications which shall include the following considerations: the cost of the vehicle system; its cost consequence for other elements of the people mover system; the operating and maintenance cost of the vehicle system; its visual, aesthetic, environmental, noise and energy impact; the supplier's plan for winter operation; the capacity of the vehicle system to meet the functional and physical specifications of the contract documents; the ability of the bidder to perform design, furnishing, installing and testing services for all vehicle system elements and for construction coordination; and ability of the bidder to meet requirements imposed as contract conditions in any grant contract entered into with the federal government. Bids may not be solicited without approval by the board of the functional and physical specifications proposed for the vehicle system purchase contract. Eligible bidders shall be limited to suppliers who have provided people mover systems which have successfully served the public.

**Subd. 2. [CONTRACT AWARD.]** Contracts for equipment purchase and for construction may not be awarded without approval of the board. The purchase contract for the vehicle system shall require the supplier to assure that the vehicle system operates within the specifications of the contract and to maintain the vehicle system for a five year period of revenue operation at a fixed base price with escalation clauses. The five year period shall be extended for the period of time equal to the time when the vehicle system is not in service because of a failure of the system to perform according to the specifications of the contract. The contract shall contain a provision permitting termination of the operation and maintenance portion of the contract by the board at the end of any year of revenue operation.

**Subd. 3. [CERTIFICATION.]** No revenue operation of the people mover system shall begin until the board receives written notice, signed by the administrator of the urban mass transportation administration, stating that the vehicle system or the part proposed to be operated has been fully tested, that it meets the criteria for acceptance established by the authority that let the construction and equipment purchase contracts with the concurrence of the administration, and that it is ready for year-around

revenue operation. The purchase contract for the vehicle system shall so provide. The written notice from the administration shall not imply any legal liability of the federal government for construction or operation of the people mover system.

**Sec. 5. [SPECIAL ASSESSMENT.]** *The people mover system and related access facilities, including the seventh place pedestrian mall and public galleria facilities, are determined to be local improvements within the meaning of the Minnesota Constitution, Article X, the city's charter, and Minnesota Statutes, Chapters 429 and 430. Accordingly, the costs of acquisition, construction, reconstruction, extension, operation, maintenance and promotion of the people mover system and such facilities whether paid or to be paid by the city or the commission, may be specially assessed against property determined to be specially benefited thereby, to the extent of and in proportion to the benefits. The special assessment shall be levied by the city pursuant to its charter, chapter 429 or 430, and the collections thereof may be pledged to the payment of the costs.*

**Sec. 6. [ACCESS FACILITIES.]** *By December 15, 1980 the board, the commission and the city shall report to the legislature on their plans for improving and facilitating access to the people mover system from other modes of transportation. In addition to filing copies of the reports as provided in section 3.195, the board, the city and the commission shall provide oral presentations of the reports to the appropriate standing committees of the legislature. The commission, subject to the approval of the board, shall produce a plan for managing the relationship between transit vehicles and the people mover to enhance ridership, revenue and patron satisfaction on both systems. The city, subject to the approval of the board, shall produce parking and traffic and pedestrian management plans, including plans for the construction of fringe parking ramps or lots and skyways to improve and facilitate access to the people mover system. The parking plans shall identify the specific locations and capacities of the proposed facilities, along with preliminary design, engineering, and traffic management studies. The plans shall include a development program with a schedule for the development of such facilities and a detailed financial plan demonstrating financial capability for a prospective five year period to support the capital, operating, maintenance and promotional costs of the parking and other access facilities.*

**Sec. 7. [FARE AND TRANSFER POLICIES.]** *Subdivision 1. [REDUCED OR SOCIAL FARES.] Fares charged during non-peak hours for elderly and handicapped riders shall not exceed one-half of the peak hour fares for the general public. The board may charge the social fares provided in Minnesota Statutes, Section 473.408, Subdivision 3, during non-peak hours. The board shall determine the peak and non-peak hours of the people mover system for purposes of the reduced fares provided in this subdivision. Reduced or social fares charged by the board shall be reimbursed by the Minnesota department of transportation as provided in Minnesota Statutes, Section 174.24, Subdivision 4.*

**Subd. 2. [TRANSFER POLICY.]** *All fares charged to riders of*

*the people mover system who transfer from the system to transit service provided by the commission shall be paid to the commission. No additional fare shall be charged to any rider who transfers to the people mover system from transit service provided by the commission.*

**Sec. 8. [OPERATING DEFICIT; DETERMINATION AND PAYMENT.]** *Subdivision 1. Any operating deficit of the people mover system shall be paid as provided in this section and section 9.*

*Subd. 2. For the purposes of this section and section 9, "operating deficit" means that portion of the costs of operating, maintaining and promoting the people mover system during the period of revenue service which exceeds the amount received from revenues of the system, reimbursement for reduced or social fares, federal operating assistance and other sources exclusive of payments by the city, the commission and owners of benefited properties as provided in this section and section 9.*

*Subd. 3. As soon as practicable before the start of revenue service, the board shall:*

*(a) Establish an operating deficit account for the deposit of all money required to be paid pursuant to this section by the city, the commission and owners of benefited properties and for the payment of the operating deficit;*

*(b) Determine the estimated operating deficit for the calendar year in which revenue service is expected to begin and for the first year of revenue service;*

*(c) Determine the amount of the share required from the city, the commission and the owners of benefited properties to pay the estimated operating deficit as provided in section 9. If the system is expected to be in revenue service for only a portion of the first calendar year of revenue service, the shares shall be prorated according to the percentage of the year the system is expected to be in revenue service; and*

*(d) Establish procedures which assure that an amount equal to the estimated operating deficit for the calendar year in which service begins, as determined under clause (b), is paid to the operating deficit account by the city and the commission not later than the first day of revenue service and that additional amounts will be paid by the city and the commission if necessary to pay the actual operating deficit through the end of the first full calendar year of revenue service. The amounts which the city and commission may be required to pay pursuant to this clause are not limited to the amounts provided in section 9.*

*The city shall levy assessments on benefited properties pursuant to section 5 in the amount the board determines is required from the owners of the properties to pay the estimated operating deficit as determined under clause (c) of this subdivision. These assessments shall be levied at the earliest possible time consistent with the provisions of section 5.*

*Subd. 4. Not later than July 1 of the first full calendar year of revenue service and at one year intervals thereafter the board shall:*

*(a) Determine the actual operating deficit for the preceding calendar year;*

*(b) Determine the amounts paid into the operating deficit account during the preceding calendar year by the city, the commission and owners of benefited properties. Deductions and additions carried over from another year shall be included in payments made during the year subject to the determination;*

*(c) Determine the amounts which are required from the city, the commission and owners of benefited properties to pay the operating deficit for the preceding calendar year pursuant to section 9;*

*(d) Determine whether the city, the commission or owners of benefited properties have paid to the operating deficit account during the preceding calendar year an amount that is more or less than that required under clause (c) of this subdivision and deduct the excess from or add the deficiency to the required payment by that party for the following calendar year;*

*(e) Determine the estimated operating deficit for the following calendar year and the amounts which are required from the city, the commission and owners of benefited properties to pay that estimated operating deficit pursuant to section 9;*

*(f) Establish a schedule of payments by the city and the commission for the following calendar year which assures the payment of the estimated operating deficit in a timely manner; and*

*(g) Report its findings and determinations to the city and the commission.*

*For the purpose of the determination made in the first full calendar year of revenue service, the preceding calendar year is deemed to include all preceding calendar years in which an operating deficit was incurred or payments were made by the city, the commission and owners of benefited property.*

*Subd. 5. At the earliest possible time after receiving a report of the board as provided in subdivision 4, the city shall levy assessments for the amount determined by the board to be required from owners of benefited properties to pay the estimated operating deficit less any amount previously assessed which was not due and payable before the close of the previous year. The assessments shall be levied pursuant to section 5.*

*Subd. 6. The city and the commission shall pay the amounts determined by the board to be required from them to pay the estimated operating deficit according to the schedule established by the board.*

**Sec. 9. [OPERATING DEFICIT SHARING FORMULA.]**  
*Subdivision 1. The city, the commission and the owners of bene-*

*fited properties shall share in the payment of the operating deficit according to the provisions of subdivisions 2 to 5.*

*Subd. 2. Owners of benefited properties shall pay the first \$300,000 of any operating deficit for any year of revenue service, subject to escalation as provided in subdivision 5. Payments shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 3. If the operating deficit for any year exceeds the amount required to be paid pursuant to subdivision 2, the city, the commission and owners of benefited properties shall each pay one-third of the remaining portion up to a maximum of \$500,000, subject to escalation as provided in subdivision 5. Payments by owners of benefited properties shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 4. If the operating deficit for any year exceeds the amounts required to be paid pursuant to subdivisions 2 and 3, owners of benefited properties shall pay one-half of the excess up to a maximum of \$800,000, subject to escalation as provided in subdivision 5, and the city shall pay the remaining amount of the excess. Payments by owners of benefited properties shall be pursuant to assessments levied by the city pursuant to section 5.*

*Subd. 5. The maximum payments provided in subdivisions 2 and 3 shall be increased beginning July 1, 1978, to the close of the first year of revenue service by an amount equal to the local consumer price index not to exceed eight percent, compounded annually. After the first year of revenue service, the amount calculated under the preceding sentence shall be increased by the actual rate of inflation of the cost of operating and maintaining the people mover system, compounded annually.*

**Sec. 10. [CAPITOL AREA FACILITIES; STATE OWNED PROPERTY.]** *Subdivision 1. Construction of the people mover system within the capitol area shall be exempt from the provision of Minnesota Statutes 1978, Section 15.50, Subdivision 2, Clause (e), requiring design competition except that capitol station west shall be subject to an invited competition as defined in part II, 6, c(2) of the American Institute of Architecture document number 6-J332, issued November, 1976, sponsored and conducted by the capitol area architectural and planning board upon guidelines and criteria as determined by agreement between that board and the joint board. System improvements within the capitol area shall be in conformity with the comprehensive use plan for the capitol area and subject to the approval of the capitol area architectural and planning board.*

*Subd. 2. The commissioner of administration on behalf of the state may grant to the city or the commission, without compensation, easements for the construction, location and operation of the people mover system upon state owned property. The commissioner of administration and the urban mass transportation administration shall establish the value of easements and related access facilities in the capitol area which will be required for the*

people mover and which are eligible in lieu of cash as local contributions to the capital cost of the people mover project. The value of these easements and facilities shall be applied to the commission's share of the local contributions.

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 473.436, is amended by adding a subdivision to read:

*Subd. 6. [PEOPLE MOVER SYSTEM.] The commission may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding \$9,000,000 for the purpose of acquisition and betterment of the people mover system as defined in section 1. The proceeds of the obligations shall be expended as provided in the joint powers agreement entered into by the commission pursuant to section 2. Proceeds of the obligations which are not needed for acquisition and betterment of the people mover system shall be expended to pay the operating deficit of the people mover system pursuant to sections 8 and 9. No obligations shall be issued under this subdivision until the commission determines that agreements have been executed between the authority that will let the construction contract for the people mover system and the appropriate labor organizations and construction contractor organizations which provide that no labor strike or management lockout will halt, delay or impede construction.*

Sec. 12. [JUDICIAL PROCEEDINGS; TIME TO COMMENCE.] *No action shall be commenced or maintained, nor defense interposed in an eminent domain proceeding, questioning the public purpose, propriety of expenditure of public funds, or validity of any law authorizing the acquisition, betterment, operation, maintenance or financing of the people mover system, except by lawsuit commenced in the district court of Ramsey County within 90 days of the date of publication of the metropolitan council recommendation given pursuant to section 3, or within 90 days of the date of written notice mailed to persons whose property may be taken by subsequent proceedings in eminent domain for the people mover system or right of way. Such action timely commenced by any taxpayer, any person whose property is or may be taken or interfered with by reason of the proposed implementation of the people mover system, or other person with standing, shall be maintained in the manner provided by law, including Minnesota Statutes, Chapter 562. Nothing in this subdivision nor notice given pursuant thereto shall be construed as a taking of private property, nor as limiting a property owner's right to just compensation for the taking of private property to be litigated in proceedings in eminent domain subsequently instituted under charter or Minnesota Statutes, Chapter 117, for such taking and assessment and award of damages.*

Sec. 13. [LIMIT ON CAPITAL EXPENDITURES.] *Subdivision 1. [TOTAL EXPENDITURES.] Except as otherwise provided in this subdivision, the sum of all expenditures by the city and the commission, including federal grants and in-kind expenditures, for acquisition, construction and betterment of the people mover system shall not exceed \$90,000,000. This amount may be*

increased by up to 20 percent if the federal urban mass transportation administration provides 80 percent matching grants for any amount exceeding \$90,000,000 and that all of the non-federal share required to match the federal grants is provided by the city.

*Subd. 2. [COMMISSION EXPENDITURES.] The commission shall expend no money for the acquisition, construction or betterment of the people mover system except the proceeds of the bonds authorized in section 11.*

*Sec. 14. [RELATIONSHIP TO TAX INCREMENT FINANCING DISTRICTS.] After approval of this act by the governing body of the city of St. Paul, no tax increment financing district may be certified by the county auditor pursuant to the provisions of Minnesota Statutes, Chapters 458, 462, 472A or 474 if the proposed district includes any property located within a distance of one half mile of the proposed route of the people mover system. In the case of a tax increment financing project for which certification has been requested from the county auditor prior to approval of this act, there may be no geographic enlargement of the district to add any property located within one half mile of the route. If a district for which certification was requested prior to approval of this act includes property located within one half mile of the route, no bonds may be issued after the date of the approval of this act by the municipality or the authority responsible for the project for the purpose of financing project activities within the district.*

*Sec. 15. [REPEALER.] Laws 1977, Chapter 454, Section 45, is repealed.*

*Sec. 16. [EFFECTIVE DATE.] This article is effective upon approval by resolution of the St. Paul city council and by resolution of the metropolitan transit commission. The resolutions shall be adopted after published notice to the public and public hearing."*

Amend the title as follows:

Page 1, line 18, after the first semicolon, insert "473.436, by adding a subdivision;"

Page 1, line 21, after "16.965" insert "; and Laws 1977, Chapter 454, Section 45"

Mr. Sieloff questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment of Mr. Schaaf.

Mr. Dieterich moved that those not voting be excused from voting. The motion did not prevail.

Mr. Hughes moved that those not voting be excused from voting. The motion did not prevail.

Mr. Laufenburger moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 32 and nays 32, as follows:

Those who voted in the affirmative were:

Aashbach	Frederick	Kirchner	Nichols	Ueland, A.
Bang	Gearty	Kleinbaum	Perpich	Vega
Brataas	Hanson	Laufenburger	Peterson	Wegener
Chmielewski	Hughes	Lessard	Schaaf	Willet
Coleman	Jensen	McCutcheon	Solon	
Dunn	Johnson	Moe	Stern	
Engler	Keefe, S.	Nelson	Stokowski	

Those who voted in the negative were:

Barrette	Keefe, J.	Olhoft	Schmitz	Strand
Benedict	Knaak	Olson	Setzepfandt	Stumpf
Bernhagen	Knoll	Omann	Sieloff	Tennessee
Davies	Knutson	Pillsbury	Sikorski	Ulland, J.
Dieterich	Luther	Purfeerst	Sillers	
Gunderson	Menning	Renneke	Spear	
Humphrey	Merriam	Rued	Staples	

The motion did not prevail. So the amendment was not adopted.

Mr. Menning moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 35, line 32, after the period insert "After June 30, 1980, the commissioner of finance shall pay no money to the University of Minnesota pursuant to the appropriation by this clause until the University first certifies to the commissioner of finance that it has eliminated the use of a mandatory student fee for the newspaper known as the Minnesota Daily, and has ceased to pay for subscriptions to the Minnesota Daily for University faculty and staff."

The question was taken on the adoption of the amendment.

Mr. Moe moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 23 and nays 32, as follows:

Those who voted in the affirmative were:

Bang	Engler	Menning	Renneke	Stokowski
Barrette	Gearty	Olhoft	Rued	Wegener
Benedict	Gunderson	Olson	Schmitz	Willet
Bernhagen	Knutson	Omann	Setzepfandt	
Chmielewski	Lessard	Purfeerst	Sieloff	

Those who voted in the negative were:

Anderson	Humphrey	Luther	Peterson	Stumpf
Coleman	Johnson	Merriam	Pillsbury	Tennessee
Davies	Keefe, J.	Moe	Schaaf	Ueland, A.
Dieterich	Keefe, S.	Nelson	Sikorski	Ulland, J.
Dunn	Kirchner	Nichols	Sillers	
Frederick	Knaak	Ogdahl	Spear	
Hanson	Knoll	Perpich	Staples	

The motion did not prevail. So the amendment was not adopted.

Having voted on the prevailing side, Mr. Pillsbury moved that the vote whereby the Schaaf amendment to H. F. No. 2476 failed to pass on March 25, 1980, be now reconsidered.

Mr. Moe moved that H. F. No. 2476 be laid on the table. The motion prevailed.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Nelson moved that S. F. No. 1933, No. 67 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

#### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 475 a Special Order to be heard immediately.

H. F. No. 475: A bill for an act relating to hospitals; requiring adoption of federal medicare standards for hospital licensing; regulating hospital inspections; providing for licensing of hospitals accredited by the joint commission on hospital accreditation; amending Minnesota Statutes 1978, Sections 144.55; and 144.50, Subdivision 1.

Mr. Nelson moved to amend the amendment placed on H. F. No. 475 by the Committee on Health, Welfare and Corrections, adopted by the Senate March 20, 1980, as follows:

In the amendment to page 2, line 12, after "et seq." insert "*in effect on the effective date of this section.*"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Sikorski moved to amend H. F. No. 475 as follows:

Page 1, after line 10, insert "ARTICLE I"

Page 6, after line 9, insert:

#### "ARTICLE II

Section 1. Minnesota Statutes 1978, Section 62A.16, is amended to read:

62A.16 [GROUP HOSPITAL AND MEDICAL COVERAGE AND HEALTH CARE PLANS, APPLICABILITY.] The pro-

visions of sections 62A.16 and 62A.17 shall apply to all group insurance policies or group subscriber contracts providing coverage for hospital or medical expenses incurred by a Minnesota resident employed within this state. Sections 62A.16 and 62A.17 shall also apply to health care plans established by employers in this state through health maintenance organizations or *supplemental health services plans* certified under chapter 62D.

Sec. 2. Minnesota Statutes 1978, Section 62A.17, Subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITY OF EMPLOYER.] After timely receipt of the monthly payment from an eligible employee, if the employer, or the trustee if the policy, contract or health care plan is administered by a trust, fails to make the payment to the insurer, the nonprofit health service plan corporation or, the health maintenance organization or *supplemental health services plan*, with the result that the employee's coverage is terminated, the employer or the trust shall become liable for the employee's coverage to the same extent as the insurer, the nonprofit health service plan corporation or, the health maintenance organization or *the supplemental health services plan*, would be if the coverage were still in effect.

Sec. 3. Minnesota Statutes 1978, Section 62D.01, Subdivision 2, is amended to read:

Subd. 2. (a) Faced with the continuation of mounting costs of health care coupled with its inaccessibility to large segments of the population, the legislature has determined that there is a need to explore alternative methods for the delivery of health care services, with a view toward achieving greater *competition*, efficiency and economy in providing these services.

(b) It is, therefore, the policy of the state to eliminate the barriers to the organization, promotion, and expansion of health maintenance organizations and *supplemental health services plans*; to provide for their regulation by the state commissioner of health; and to exempt them from the operation of the insurance and nonprofit health service plan corporation laws of the state except as hereinafter provided.

(c) It is further the intention of the legislature to closely monitor the development of health maintenance organizations and *supplemental health services plans* in order to assess their impact on the costs of health care to consumers, the accessibility of health care to consumers, and the quality of health care provided to consumers.

Sec. 4. Minnesota Statutes 1978, Section 62D.02, Subdivision 4, is amended to read:

Subd. 4. "Health maintenance organization" means a nonprofit corporation organized under chapter 317, controlled and operated as provided in sections 62D.01 to 62D.29 62D.30, which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges

for the provision of such services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee.

Sec. 5. Minnesota Statutes 1978, Section 62D.02, Subdivision 5, is amended to read:

Subd. 5. "Evidence of coverage" means any certificate, agreement or contract issued to an enrollee which sets out the coverage to which he is entitled under the health maintenance contract or supplemental health services contract which covers him.

Sec. 6. Minnesota Statutes 1978, Section 62D.02, Subdivision 6, is amended to read:

Subd. 6. "Enrollee" means any person who has entered into, or is covered by, a health maintenance contract or supplemental health services contract.

Sec. 7. Minnesota Statutes 1978, Section 62D.02, Subdivision 7, is amended to read:

Subd. 7. "Comprehensive health maintenance services" means a set of comprehensive health services which the enrollees might reasonably require to be maintained in good health including as a minimum, but not limited to, emergency care, inpatient hospital and physician care, outpatient health services and preventive health services.

*Every health maintenance organization shall have the option of excluding or including elective, induced abortions, except as necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician, from any or all health maintenance service plans provided by the organization, including plans providing maternity services.*

Sec. 8. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

Subd. 11. "Supplemental health services plan" means a corporation controlled and operated as provided in sections 62D.01 to 62D.30, which provides, either directly or through arrangements with providers or other persons, complete supplemental health services in a single specialized area of health services, or arranges to provide such services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee. Single specialized areas of health services are areas such as dental services, mental health services, chiropractic services, chemical dependency services and other similar areas of services.

Sec. 9. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

Subd. 12. "Supplemental health services" means a complete set of health services which the enrollees might reasonably require to be maintained in good health in a single specialized area of health and which are within the scope of practice of the professional

persons providing the services as defined in subdivision 11, including as a minimum and as appropriate to the specialized area of health, but not limited to, outpatient health services, and preventive health services.

Sec. 10. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

*Subd. 13. "Supplemental health services contract" means any contract by which a supplemental health services plan agrees to provide supplemental health services to enrollees. The contract may contain reasonable enrollee copayment provisions. Any contract may provide for supplemental health services in addition to those set forth in subdivision 12.*

Sec. 11. Minnesota Statutes 1978, Section 62D.03, is amended to read:

62D.03 [ESTABLISHMENT OF HEALTH MAINTENANCE ORGANIZATIONS AND SUPPLEMENTAL HEALTH SERVICE PLANS.] Subdivision 1. Notwithstanding any law of this state to the contrary, any nonprofit corporation organized to do so may apply to the commissioner of health for a certificate of authority to establish and operate a health maintenance organization or supplemental health services plan in compliance with sections 62D.01 to 62D.30. No person shall establish or operate a health maintenance organization or supplemental health services plan in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or health maintenance contract, supplemental health services plan or supplemental health services contract unless such the organization or plan has a certificate of authority under sections 62D.01 to 62D.29 62D.30.

*Subd. 2. Every person operating a health maintenance organization on July 1, 1973 shall submit an application for a certificate of authority, as provided in subdivision 4, within 90 days of July 1, 1973. Each such applicant may continue to operate until the commissioner of health acts upon the applications. In the event that an application is denied, the applicant shall henceforth be treated as a health maintenance organization whose certificate of authority has been revoked.*

*Subd. 3. 2. The commissioner of health may require any person providing physician and hospital services comprehensive health maintenance services with payments made in the manner set forth in section 62D.02, subdivision 4, or any person providing supplemental health services, with payments made in the manner set forth in section 62D.02, subdivision 11, to apply for a certificate of authority under sections 62D.01 to 62D.29 62D.30. Any person directed to apply for a certificate of authority shall be subject to the provisions of subdivision 2.*

*Subd. 4. 3. Each application for a certificate of authority shall be verified by an officer or authorized representative of the appli-*

cant, and shall be in a form prescribed by the commissioner of health. Each application shall include the following:

(a) A copy of the basic organizational document, if any, of the applicant ; such as , *including* the articles of incorporation, or other applicable documents, and all amendments thereto;

(b) A copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant;

(c) A list of the names, addresses, and official positions of the following persons:

All members of the board of directors, and the principal officers of the organization; which shall contain a full disclosure in the application of the extent and nature of any contract or financial arrangements between them and the health maintenance organization or *supplemental health services plan*, including a full disclosure of any financial arrangements between them and any provider or other person concerning any financial relationship with the health maintenance organization or *supplemental health services plan* ;

(d) A statement generally describing the health maintenance organization or *supplemental health services plan* , its health care plan or plans, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide enrollees with comprehensive health maintenance services or *complete supplemental health services* ;

(e) A copy of the form of each evidence of coverage to be issued to the enrollees;

(f) A copy of the form of each individual or group health maintenance contract or *supplemental health services contract* which is to be issued to enrollees or their representatives;

(g) Financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

(h) ~~(1)~~ A description of the proposed method of marketing the plan, ~~(2)~~ A schedule of proposed charges , and ~~(3)~~ a financial plan which includes a three year projection of the expenses and income and other sources of future capital ;

~~(i)~~ A statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

~~(j)~~ (i) A description of the complaint procedures to be utilized as required under section 62D.11;

~~(k)~~ (j) A description of the procedures and programs to be implemented to meet the requirements of section 62D.04, subdivision 1, clauses (b) and (e) and to monitor the quality of health care provided to enrollees;

~~(1)~~ *(k)* A description of the mechanism by which enrollees will be afforded an opportunity to participate in *express their views on matters of policy and operation under section 62D.06; and*

~~(m)~~ *(l)* Such Other information as the commissioner of health may reasonably require to be provided.

Sec. 12. Minnesota Statutes 1978, Section 62D.04, Subdivision 1, is amended to read:

62D.04 [ISSUANCE OF CERTIFICATE AUTHORITY.]  
Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) Demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) Arrangements for an ongoing evaluation of the quality of health care;

~~(c)~~ A procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

~~(d)~~ *(c)* Reasonable provisions for emergency and out of area health care services;

~~(e)~~ *(d)* Demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees *through financial arrangements or agreements with providers or other persons or a combination thereof*. In making this determination, the commissioner of health may consider either the standards of clauses *(1)* and *(2)*, or the standards of clauses *(3)* and *(4)*, whichever the applicant shall elect:

*(1)* The financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

*(2)* The adequacy of its working capital;

*(3)* Arrangements which will guarantee for a reasonable period of time the continued availability or payment of the cost of health care services in the event of discontinuance of the health maintenance organization; and

*(4)* Agreements with providers for the provision of health care services ;

~~(f)~~ *(e)* Demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services or complete supplemental health services , including hospital care; provided, however, that the requirement in this paragraph shall not prohibit a health maintenance organization or supplemental health services plan from obtaining insurance or

making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services or complete supplemental health services, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services or complete supplemental health services to its members on a non-elective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's or supplemental health services plan's costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

~~(g)~~ (f) Otherwise met the requirements of sections 62D.01 to ~~62D.29~~ 62D.30 .

Sec. 13. Minnesota Statutes 1978, Section 62D.04, Subdivision 3, is amended to read:

Subd. 3. Except as provided in section 62D.03, subdivision 2, no person who has not been issued a certificate of authority shall use the words "health maintenance organization" or "supplemental health services plan" or the initials "HMO" or "SHSP" in its name, contracts or literature. Provided, however, that persons who are operating under a contract with, operating in association with, enrolling enrollees for, or otherwise authorized by a health maintenance organization or supplemental health services plan licensed under sections 62D.01 to ~~62D.29~~ 62D.30 to act on its behalf may use the terms "health maintenance organization" or "HMO", or "supplemental health services plan" or "SHSP", for the limited purpose of denoting or explaining their association or relationship with the authorized health maintenance organization or supplemental health services plan. No health maintenance organization or supplemental health services plan which has a minority of consumers as members of its board of directors shall use the words "consumer controlled" in its name or in any way represent to the public that it is controlled by consumers.

Sec. 14. Minnesota Statutes 1978, Section 62D.05, is amended to read:

62D.05 [POWERS OF HEALTH MAINTENANCE ORGANIZATIONS AND SUPPLEMENTAL HEALTH SERVICES PLANS.] Subdivision 1. Any nonprofit corporation may, upon obtaining a certificate of authority as required in sections 62D.01 to ~~62D.29~~ 62D.30, operate as a health maintenance organization or supplemental health services plan.

Subd. 2. A health maintenance organization or supplemental health services plan may enter into health maintenance contracts or supplemental health services contracts in this state and engage in any other activities consistent with sections 62D.01 to ~~62D.29~~ 62D.30 which are necessary to the performance of its obligations under such the contracts or authorize its representatives to do so.

Subd. 3. A health maintenance organization or supplemental health services plan may contract with providers of health care services to render the services the health maintenance organiza-

tion or *supplemental health services plan* has promised to provide under the terms of its health maintenance contracts or *supplemental health services contracts*, may, subject to the limitations of section 62D.04, subdivision 1, clause ~~(f)~~ (e), contract with insurance companies and nonprofit health service plan corporations for insurance, indemnity or reimbursement of its cost of providing health care services or *supplemental health services* for enrollees or against the risks incurred by the health maintenance organization or *supplemental health services plan* and may contract with insurance companies and nonprofit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance organization or *supplemental health services plan*, including the customary prepayment amount and any co-payment obligations.

Subd. 4. A health maintenance organization or *supplemental health services plan* may contract with other persons for the provision of services, including, but not limited to, managerial and administration, marketing and enrolling, data processing, actuarial analysis, and billing services. If contracts are made with insurance companies or nonprofit health service plan corporations, such companies or corporations must be authorized to transact business in this state.

Subd. 5. Each health maintenance organization or *supplemental health services plan* authorized to operate under sections 62D.01 to ~~62D.29~~ 62D.30, or its representative, may accept from governmental agencies, private agencies, corporations, associations, groups, individuals, or other persons payments covering all or part of the cost of health care services or *supplemental health services* provided to enrollees.

Subd. 6. Any recipient of medical assistance, pursuant to chapter 256B, may make application to join a health maintenance organization or *supplemental health services plan* which has been approved for medical assistance by the commissioner of public welfare. If the commissioner of public welfare determines that the charge for the health maintenance contract or *supplemental health services contract* is less than the average state cost per recipient who is not enrolled in a health maintenance organization or *supplemental health services plan*, the commissioner shall provide recipients who enroll in health maintenance organizations or *supplemental health services plans* a special transportation allowance equal to one-half of the difference in costs.

Sec. 15. Minnesota Statutes 1978, Section 62D.06, Subdivision 1, is amended to read:

62D.06 [GOVERNING BODY.] Subdivision 1. The governing body of any health maintenance organization or *supplemental health services plan* may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization or *supplemental health services plan* has been authorized under sections 62D.01 to ~~62D.29~~ 62D.30 for one year, at least 40 percent of the governing body shall be composed of consumers elected by the enrollees from among the enrollees.

Sec. 16. Minnesota Statutes 1978, Section 62D.07, is amended to read:

62D.07 [EVIDENCE OF COVERAGE.] Subdivision 1. Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. The health maintenance organization or *supplemental health services plan* or its designated representative shall issue the evidence of coverage.

Subd. 2. No evidence of coverage or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or amendment thereto has been filed with the commissioner of health pursuant to sections 62D.03 or 62D.08.

Subd. 3. An evidence of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health care plan;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's or *supplemental health services plan's* method for resolving enrollee complaints.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

Sec. 17. Minnesota Statutes 1978, Section 62D.08, is amended to read:

62D.08 [ANNUAL REPORT.] Subdivision 1. A health maintenance organization or *supplemental health services plan* shall, unless otherwise provided for by regulations adopted by the commissioner of health, file notice with the commissioner of health prior to any modification of the operations or documents described in the information submitted under clauses (a), (b), (e), (f), (i), (j), (k), and (l) ; and ~~(m)~~ of section 62D.03, sub-

division 4. If the commissioner of health does not disapprove of the filing within 30 days, it shall be deemed approved and may be implemented by the health maintenance organization or supplemental health services plan.

Subd. 2. Every health maintenance organization or supplemental health services plan shall annually, on or before April 1, file a verified report with the commissioner of health and to the commissioner of insurance covering the preceding calendar year.

Subd. 3. Such *The* report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or non-profit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract or supplemental health services contract, and (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment;

(b) The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year;

~~(c)~~ A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

~~(d)~~ (c) A report of the names and residence addresses of all persons set forth in section 62D.03, subdivision 4 3, clause (c) who were associated with the health maintenance organization during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4 3, clause (c); and

~~(e)~~ (d) Such *Any* other information relating to the performance of the health maintenance organization or supplemental health services plan as is required by rule and reasonably necessary to enable the commissioner of health to carry out his duties under sections 62D.01 to 62D.29 62D.30 .

Sec. 18. Minnesota Statutes 1978, Section 62D.10, Subdivision 1, is amended to read:

62D.10 [PROVISIONS APPLICABLE TO ALL HEALTH PLANS.] Subdivision 1. The provisions of this section shall be applicable to nonprofit prepaid health care plans regulated under chapter 317, and health maintenance organizations and supple-

*mental health services plans* regulated pursuant to sections 62D.01 to 62D.29 62D.30 , both each of which for purposes of this section shall be known as "health plans".

Sec. 19. Minnesota Statutes 1978, Section 62D.10, Subdivision 3, is amended to read:

Subd. 3. A health plan providing health maintenance services or *supplemental health services*, or reimbursement for health care costs to a specified group or groups may limit the open enrollment in each group plan to members of such group or groups, but after it has been in operation 24 months shall have an annual open enrollment period of at least one month during which it accepts enrollees from the members of each group up to a minimum of five percent of its current enrollment in each group plan. "Specified groups" may include, but shall not be limited to:

- (a) Employees of one or more specified employers;
- (b) Members of one or more specified labor unions;
- (c) Members of one or more specified associations;

(d) Patients of physicians providing services through a health care plan who had previously provided services outside the health care plan; and

- (e) Members of an existing group insurance policy.

Sec. 20. Minnesota Statutes 1978, Section 62D.101, is amended to read:

62D.101 [CONVERSION PRIVILEGES FOR FORMER SPOUSES.] Subdivision 1. No health maintenance contract or *supplemental health services contract* which in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract or *supplemental health services contract* solely as a result of a break in the marital relationship except by reason of an entry of a valid decree of dissolution of marriage between the parties.

Subd. 2. Every health maintenance contract or *supplemental health services contract* , other than a contract whose continuance is contingent upon continued employment or membership, which contains a provision for termination of coverage of the spouse upon dissolution of marriage shall contain a provision to the effect that upon the entry of a valid decree of dissolution of marriage between the covered parties the spouse shall be entitled to have issued to him or her, without evidence of insurability, upon application made to the health maintenance organization or *supplemental health services plan* within 30 days following the entry of the decree, and upon the payment of the appropriate fee, an individual health maintenance contract or *supplemental health services contract* . The contract shall provide the coverage then being issued by the organization or *plan* which is most nearly similar to, but not greater than, the terminated coverage. Any probationary or waiting period set forth in the conversion contract shall be considered

as being met to the extent coverage was in force under the prior contract.

Subd. 3. This section applies to every health maintenance contract *and every supplemental health services plan* which is delivered, issued for delivery, renewed or amended on or after the effective date of this section.

Sec. 21. Minnesota Statutes 1978, Section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.] Subdivision 1. Every health maintenance organization *or supplemental health services plan* shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate his complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 2. The health maintenance organization *or supplemental health services plan* shall maintain a record of each written complaint filed with it for three years and the commissioner of health shall have access to the records.

Sec. 22. Minnesota Statutes 1978, Section 62D.12, is amended to read:

62D.12 [PROHIBITED PRACTICES.] Subdivision 1. No health maintenance organization, *supplemental health services plan*, or representative thereof may cause or knowingly permit the use of advertising or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive. Each health maintenance organization *and each supplemental health services plan* shall be subject to sections 72A.17 to 72A.321, relating to the regulation of trade practices, except (a) to the extent that the nature of a health maintenance organization *or supplemental health services plan* renders such sections clearly inappropriate and (b) that enforcement shall be by the commissioner of health and not by the commissioner of insurance. Every health maintenance organization *and every supplemental health services plan* shall be subject to sections 325.79 and 325.907.

Subd. 2. No health maintenance organization *or supplemental health services plan* may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served; (e) enrollee moving out of an eligible group; (f) failure to make copayments required by the health care plan; or (g) other reasons established in regulations promulgated by the commissioner of health. An enrollee shall be given 30 days notice of any cancellation or nonrenewal.

Subd. 3. No health maintenance organization or *supplemental health services plan* may use in its name, contracts, or literature any of the words "insurance", "casualty", "surety", "mutual", or any other words which are descriptive of the insurance, casualty or surety business or deceptively similar to the name or description of any insurance or surety corporation doing business in this state; provided, however, that when a health maintenance organization or *supplemental health services plan* has contracted with an insurance company for any coverage permitted by sections 62D.01 to 62D.29 62D.30, it may so state.

Subd. 4. No health maintenance contract, *supplemental health services contract* or evidence of coverage shall provide for the reimbursement of an enrollee other than through a policy of insurance, except to refund payments made by or on behalf of an enrollee; or, with the prior approval of the commissioner of health, payments to enrollees for obligations incurred for non-elective emergency or out-of-area services received; or with prior approval, direct payments to providers for out-of-area, non-elective emergency or referral medical, hospital, or other health services rendered to enrollees.

Subd. 5. The providers under agreement with a health maintenance organization or *supplemental health services plan* to provide health care services and the health maintenance organization or *supplemental health services plan* shall not have recourse against enrollees for amounts above those specified in the evidence of coverage as the periodic prepayment, or copayment, for health care services.

Subd. 6. The rates charged by health maintenance organizations, *supplemental health services plans* and their representatives shall not discriminate except in accordance with accepted actuarial principles.

Subd. 7. No health maintenance organization or *supplemental health services plan* shall enroll more than 500,000 persons in the state of Minnesota. A violation of this subdivision shall be treated as a violation of the antitrust act, sections 325.8011 to 325.8028.

Subd. 8. No health maintenance organization or *supplemental health services plan* shall discriminate in enrollment policy against any person solely by virtue of status as a recipient of medical assistance or medicare.

Subd. 9. No *nonprofit* health maintenance organization or *supplemental health services plan* shall provide for the payment, whether directly or indirectly, of any part of its net earnings, to any person as a dividend or rebate; provided, however, that . Authorized expenses of a health maintenance organization or *supplemental health services plan* shall may include:

(a) cash rebates to enrollees, or to persons who have made payments on behalf of enrollees; or, when approved by the commissioner of health as provided in subdivision 4, direct payments to enrollees for obligations incurred for non-elective emergency or out-of-area services received; or, with prior approval, direct pay-

ments to providers for out-of-area, non-elective emergency or referral medical, hospital, or other health services rendered to enrollees;

(b) free or reduced cost health service to enrollees; or

(c) payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality care. All net earnings shall be devoted to the nonprofit purposes of the health maintenance organization in providing comprehensive health care. The commissioner of health shall, pursuant to sections 62D.01 to ~~62D.29~~ 62D.30, revoke the certificate of authority of any health maintenance organization or supplemental health services plan in violation of that violates this subdivision.

Subd. 10. No health maintenance contract, *supplemental health services contract* or evidence of coverage entered into, issued, amended, renewed or delivered on or after January 1, 1976 shall contain any provision offsetting, or in any other manner reducing, any benefit to an enrollee or other beneficiary by the amount of, or in any proportion to, any increase in disability benefits received or receivable under the federal Social Security Act, as amended subsequent to the date of commencement of such benefit.

Subd. 11. Any health maintenance organization which includes coverage of comprehensive dental services in its comprehensive health maintenance services shall not include the charge for the dental services in the same rate as the charge for other comprehensive health maintenance services. The rates for dental services shall be computed, stated and bid separately. No employer shall be required to purchase dental services in combination with other comprehensive health services. An employer may purchase dental services separately.

Sec. 23. Minnesota Statutes 1978, Section 62D.13, is amended to read:

62D.13 [POWERS OF INSURERS AND NONPROFIT HEALTH SERVICE PLANS.] Notwithstanding any law to the contrary, an insurer or a hospital or medical service plan corporation may contract with a health maintenance organization or *supplemental health services plan* to provide insurance or similar protection against the cost of care provided through health maintenance organizations or *supplemental health services plans* and to provide coverage in the event of the failure of the health maintenance organization or *supplemental health services plan* to meet its obligations. The enrollees of a health maintenance organization or *supplemental health services plan* constitute a permissible group for group coverage under the insurance laws and the nonprofit health service plan corporation act. Under such contracts, the insurer or nonprofit health service plan corporation may make benefit payments to health maintenance organizations or *supplemental health services plans* for health care services rendered, or to be rendered, by providers pursuant to the health care plan. Any insurer, or nonprofit health service plan corporation, licensed to do

business in this state, is authorized to provide the types of coverages described in section 62D.05, subdivision 3.

Sec. 24. Minnesota Statutes 1978, Section 62D.14, is amended to read:

**62D.14 [EXAMINATIONS.]** Subdivision 1. The commissioner of health may make an examination of the financial affairs of any health maintenance organization or *supplemental health services plan* and its contracts, agreements, or other arrangements with providers as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years.

Subd. 2. The commissioner of health may make an examination concerning the quality of health care services provided to enrollees by any health maintenance organization or *supplemental health services plan* and providers with whom such organization or *plan* has contracts, agreements, or other arrangements pursuant to its health care plan as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years. Provided, that examinations of providers pursuant to this subdivision shall be limited to their dealings with the health maintenance organization or *supplemental health services plan* and its enrollees.

Subd. 3. In order to accomplish his duties under this section, the commissioner of health shall have the right to:

(a) Inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under such contract; and

(b) Audit and inspect any books and records of a health maintenance organization or *supplemental health services plan* which pertain to services performed and determinations of amounts payable under such contract.

Subd. 4. Any data or information pertaining to the diagnosis, treatment, or health of any enrollee, or any application obtained from any person, shall be confidential and shall not be disclosed to any person except (a) to the extent that it may be necessary to carry out the purposes of sections 62D.01 to ~~62D.29~~ 62D.30 ; (b) upon the express consent of the enrollee or applicant; (c) pursuant to statute or court order for the production of evidence or the discovery thereof; or (d) in the event of claim or litigation between such person and the provider or , health maintenance organization or *supplemental health services plan* wherein such data or information is pertinent. A health maintenance organization or *supplemental health services plan* shall be entitled to claim any statutory privileges against such disclosure which the provider who furnished such information to the health maintenance organization or *supplemental health services plan* is entitled to claim.

Subd. 5. The commissioner of health shall have the power to administer oaths to and examine witnesses, and to issue subpoenas.

Subd. 6. Reasonable expenses of examinations under this section shall be assessed by the commissioner of health against the organization or plan being examined, and shall be remitted to the commissioner of health for deposit in the general fund of the state treasury.

Sec. 25. Minnesota Statutes 1978, Section 62D.15, is amended to read:

**62D.15 [SUSPENSION OR REVOCATION OF CERTIFICATE OF AUTHORITY.]** Subdivision 1. The commissioner of health may suspend or revoke any certificate of authority issued to a health maintenance organization or *supplemental health services plan* under sections 62D.01 to ~~62D.29~~ 62D.30 if he finds that:

(a) The health maintenance organization or *supplemental health services plan* is operating significantly in contravention of its basic organizational document, its health care plan, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62D.03, unless amendments to such submissions have been filed with and approved by the commissioner of health;

(b) The health maintenance organization or *supplemental health services plan* issues evidences of coverage which do not comply with the requirements of section 62D.07;

(c) The health maintenance organization or *supplemental health services plan* is unable to fulfill its obligations to furnish comprehensive health maintenance services or *supplemental health services* as required under its health care plan;

(d) The health maintenance organization or *supplemental health services plan* is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(e) The health maintenance organization or *supplemental health services plan* has failed to implement a mechanism affording the enrollees an opportunity to participate in matters of policy and operation under section 62D.06;

(f) The health maintenance organization or *supplemental health services plan* has failed to implement the complaint system required by section 62D.11 in a manner designed to reasonably resolve valid complaints;

(g) The health maintenance organization, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;

(h) The continued operation of the health maintenance organization or *supplemental health services plan* would be hazardous to its enrollees; or

(i) The health maintenance organization or *supplemental health services plan* has otherwise failed to substantially comply

with sections 62D.01 to ~~62D.29~~ 62D.30 or has submitted false information in any report required hereunder.

Subd. 2. A certificate of authority shall be suspended or revoked only after compliance with the requirements of section 62D.16.

Subd. 3. When the certificate of authority of a health maintenance organization or *supplemental health services plan* is suspended, the health maintenance organization or *plan* shall not, during the period of such suspension, enroll any additional enrollees except newborn children or other newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

Subd. 4. When the certificate of authority of a health maintenance organization or *supplemental health services plan* is revoked, the organization or *plan* shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization or *plan*. It shall engage in no further advertising or solicitation whatsoever. The commissioner of health may, by written order, permit further operation of the organization or *plan* as he may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage.

Sec. 26. Minnesota Statutes 1978, Section 62D.16, is amended to read:

62D.16 [DENIAL, SUSPENSION, AND REVOCATION; ADMINISTRATIVE PROCEDURES.] Subdivision 1. When the commissioner of health has cause to believe that grounds for the denial, suspension or revocation of a certificate of authority exists, he shall notify the health maintenance organization or *supplemental health services plan* in writing specifically stating the grounds for denial, suspension or revocation and fixing a time of at least 20 days thereafter for a hearing on the matter, except in summary proceedings as provided in section 62D.18.

Subd. 2. After such hearing, or upon the failure of the health maintenance organization or *supplemental health services plan* to appear at the hearing, the commissioner of health shall take action as is deemed advisable and shall issue written findings which shall be mailed to the health maintenance organization or *supplemental health services plan*. The action of the commissioner of health shall be subject to judicial review pursuant to chapter 15.

Sec. 27. Minnesota Statutes 1978, Section 62D.17, Subdivision 1, is amended to read:

62D.17 [PENALTIES AND ENFORCEMENT.] Subdivision 1. The commissioner of health may, in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount not less than \$100 nor more than \$10,000. Reasonable notice in writing to the health main-

tenance organization or *supplemental health services plan* shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization or *supplemental health services plan* shall have a reasonable time within which to remedy the defect in its operations which gave rise to the penalty citation, or have an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 15.

Sec. 28. Minnesota Statutes 1978, Section 62D.17, Subdivision 3, is amended to read:

Subd. 3. (a) If the commissioner of health shall, for any reason, have ~~has~~ cause to believe that any violation of sections 62D.01 to ~~62D.29~~ 62D.30 has occurred or is threatened, the commissioner of health may, before commencing action under sections 62D.15 and 62D.16, and subdivision 1, give notice to the health maintenance organization or *supplemental health services plan* and to the representatives, or other persons who appear to be involved in such suspected violation, to arrange a voluntary conference with the alleged violators or their authorized representatives for the purpose of attempting to ascertain the facts relating to such suspected violation and, in the event it appears that any violation has occurred or is threatened, to arrive at an adequate and effective means of correcting or preventing such violation.

(b) Proceedings under this subdivision shall not be governed by any formal procedural requirements, and may be conducted in such manner as the commissioner of health may deem appropriate under the circumstances.

Sec. 29. Minnesota Statutes 1978, Section 62D.17, Subdivision 4, is amended to read:

Subd. 4. (a) The commissioner of health may issue an order directing a health maintenance organization, *supplemental health services plan*, or a representative of a health maintenance organization or *supplemental health services plan* to cease and desist from engaging in any act or practice in violation of the provisions of sections 62D.01 to ~~62D.29~~ 62D.30.

(b) Within 20 days after service of the order to cease and desist, the respondent may request a hearing on the question of whether acts or practices in violation of sections 62D.01 to ~~62D.29~~ 62D.30 have occurred. Such hearings shall be subject to judicial review as provided by chapter 15.

Sec. 30. Minnesota Statutes 1978, Section 62D.18, is amended to read:

**62D.18 [REHABILITATION, LIQUIDATION, OR CONSERVATION OF HEALTH MAINTENANCE ORGANIZATION.]** The commissioner of insurance may independently, or shall at the request of the commissioner of health, order the rehabilitation, liquidation or conservation of health maintenance organizations or *supplemental health services plans*. The rehabilitation, liquidation or conservation of a health maintenance organization or *sup-*

*plemental health services plan* shall be deemed to be the rehabilitation, liquidation or conservation of an insurance company and shall be conducted under the supervision of the commissioner of insurance and pursuant to chapter 60B, except to the extent that the nature of health maintenance organizations or *supplemental health services plans* render such law clearly inappropriate.

Sec. 31. Minnesota Statutes 1978, Section 62D.19, is amended to read:

**62D.19 [UNREASONABLE EXPENSES.]** No health maintenance organization or *supplemental health services plan* shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of insurance shall, pursuant to the administrative procedures act, promulgate rules to implement and enforce this section.

Sec. 32. Minnesota Statutes 1978, Section 62D.20, is amended to read:

**62D.20 [RULES.]** *Subdivision 1.* The commissioner of health may, pursuant to chapter 15, promulgate such reasonable rules and regulations as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29 62D.30. Included among such regulations shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and for provision of complete *supplemental health services*, as defined in section 62D.02, subdivision 12, and reasonable exclusions therefrom.

*Subd. 2.* The rules shall provide three levels of qualified comprehensive health maintenance services which are actuarially equivalent to the three types of qualified plans for accident and health insurance described in section 62E.06. They shall allow reasonable substitution of actuarially equivalent benefits subject to the approval of the evidence of coverage by the commissioner. The commissioner of insurance shall assist the commissioner of health in determining actuarial equivalency of benefits. All evidences of coverage shall clearly state the level of coverage for qualified contracts.

Sec. 33. Minnesota Statutes 1978, Section 62D.21, is amended to read:

**62D.21 [FEES.]** Every health maintenance organization and *supplemental health services plan* subject to sections 62D.01 to 62D.29 62D.30 shall pay to the commissioner of health fees as prescribed by the commissioner of health pursuant to section 144.122 for the following:

- (a) Filing an application for a certificate of authority,
- (b) Filing an amendment to a certificate of authority,
- (c) Filing each annual report, and
- (d) Other filings, as specified by regulation.

Sec. 34. Minnesota Statutes 1978, Section 62D.22, Subdivision 2, is amended to read:

Subd. 2. Solicitation of enrollees by a health maintenance organization or supplemental health services plan granted a certificate of authority, or its representatives, or by a group of health care providers serving an enrolled group or groups of persons who have prospectively contracted for delivery of defined health care services shall not be construed to violate any provision of law relating to solicitation or advertising by health professionals.

Sec. 35. Minnesota Statutes 1978, Section 62D.22, Subdivision 3, is amended to read:

Subd. 3. Any health maintenance organization or supplemental health services plan authorized under sections 62D.01 to ~~62D.29~~ 62D.30 or group of health care providers serving an enrolled group or groups of persons who have prospectively contracted for delivery of defined health care services, because of the form of the providers' association with each other, shall not be deemed to be practicing corporate practice of a healing art.

Sec. 36. Minnesota Statutes 1978, Section 62D.22, Subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in sections 62D.01 to ~~62D.29~~ 62D.30, provisions of the insurance laws and provisions of nonprofit health service plan corporation laws shall not be applicable to any health maintenance organization or supplemental health services plan granted a certificate of authority under sections 62D.01 to ~~62D.29~~ 62D.30.

Sec. 37. Minnesota Statutes 1978, Section 62D.22, Subdivision 6, is amended to read:

Subd. 6. Every health maintenance organization and every supplemental health services plan shall be subject to the certificate of need act, sections ~~145.71 to 145.83~~ on the same basis as other persons ~~145.832 to 145.845~~, to the extent that federal law and regulations require.

Sec. 38. Minnesota Statutes, 1979 Supplement, Section 62D.22, Subdivision 7, is amended to read:

Subd. 7. A licensed health maintenance organization or a licensed supplemental health services plan shall be deemed to be a prepaid group practice plan for the purposes of chapter 43 and shall be allowed to participate as a carrier for state employees subject to any negotiated labor agreement and reasonable restrictions applied to all carriers.

Sec. 39. Minnesota Statutes 1978, Section 62D.22, Subdivision 8, is amended to read:

Subd. 8. All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization or a supplemental health services plan, whether employees or under contract to the health maintenance organization or supplemental health services plan, shall be subject

to the provisions of section 60A.17, concerning the licensure of health insurance agents, solicitors, and brokers, and lawful regulations thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations or *supplemental health services plans* shall be exempt from the provisions of section 60A.17. Section 60A.17, subdivision 2, clause (2) shall not apply except as to provide for an examination of an applicant in his knowledge concerning the operations and benefits of health maintenance organizations or *supplemental health services plans* and related insurance matters.

Sec. 40. Minnesota Statutes 1978, Section 62D.22, is amended by adding a subdivision to read:

*Subd. 10. The provisions of section 144.701, subdivision 1, shall not prevent hospitals from giving rate discounts to health maintenance organizations or supplemental health services plans.*

Sec. 41. Minnesota Statutes 1978, Section 62D.25, is amended to read:

62D.25 [REPORT TO THE LEGISLATURE.] The commissioner of health shall *annually* report to the legislature on or before April 1, 1976, as to the following:

(1) The number of applications for certificates of authority which have been filed since July 1, 1973 *the last report* ;

(2) The number of certificates of authority granted pursuant to sections 62D.01 to ~~62D.29~~ 62D.30;

(3) The number of current enrollees in health maintenance organizations *and the number of current enrollees in supplemental health services plans* in the state of Minnesota;

(4) The average annual prepayment cost per enrollee in the state of Minnesota;

(5) The conclusions of the commissioner of health as to the ~~effect~~ *effects* of health maintenance organizations *and of supplemental health services plans* on the quality of health care services provided to the people of this state;

(6) The conclusions of the commissioner of health as to the effects of health maintenance organizations *and of supplemental health services plans* on health care costs and whether any cost savings are being passed on to enrollees in any form; and

(7) His recommendations as to any changes in sections 62D.01 to ~~62D.29~~ 62D.30 .

Sec. 42. Minnesota Statutes 1978, Section 62D.28, Subdivision 2, is amended to read:

Subd. 2. The area for planning and the proposed service area of the health maintenance organization must have insufficient availability of primary health care resources or a substantial population of medically unserved or underserved individuals, as determined by the commissioner of health. ~~An areawide comprehensive health planning agency~~ *A health systems agency* , as defined in section

**145.72 145.833, subdivision 7**, shall provide technical assistance to the commissioner of health in identifying areas with demographic and geographic health needs.

**Sec. 43. Minnesota Statutes 1978, Section 62D.28, Subdivision 3**, is amended to read:

**Subd. 3.** The planning organization seeking financial assistance must be a Minnesota nonprofit corporation having a board of directors with a majority composed of health care consumers from the proposed service area, but with additional representation of existing health interests in the area including health providers.

The organization shall cooperate with any area wide comprehensive health planning agency health systems agency established pursuant to section 145.72, subdivision 5 the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq., and with other health care providers in the proposed area to be served by the organization in programs or studies for:

(a) Determining and assessing the ongoing health needs of the community, formulating a program to meet such needs, including, but not limited to, an identification of private and public funds which may be available for this purpose;

(b) Coordinating existing health activities where appropriate, and establishing better utilization of existing health facilities, programs, and services, with particular emphasis on health manpower training projects in the area including those for local community residents;

(c) Laying the foundation for a community health maintenance organization; and

(d) Promoting development and expansion of preventive and ambulatory, outpatient services with the objective of replacing crisis medicine with an integrated, comprehensive system of health care.

**Sec. 44. [TEMPORARY PROVISION.]** *The commissioner of health shall review all existing rules regulating health maintenance organizations and repeal all of those which inhibit competition between health maintenance organizations and insurers and which are not needed to protect the public. In exercising the duty set forth in this section and in section 8, the commissioner may, until December 31, 1980, exercise temporary rule making powers pursuant to chapter 15.*

**Sec. 45.** *Rules governing health maintenance organizations on the effective date of Article I are effective until rules implementing the provisions of Article I are promulgated.*

**Sec. 46. Minnesota Statutes 1978, Section 62E.02, Subdivision 9**, is amended to read:

**Subd. 9.** "Plan of health coverage" means any plan or combination of plans of coverage, including combinations of self insurance,

individual accident and health insurance policies, group accident and health insurance policies, coverage under a nonprofit health service plan, or coverage under a health maintenance organization subscriber contract or *supplemental health services plan subscriber contract*.

Sec. 47. Minnesota Statutes 1978, Section 62E.03, Subdivision 1, is amended to read:

62E.03 [DUTIES OF THE EMPLOYER.] Subdivision 1. Each employer who provides or makes available to his employees a plan of health coverage shall make available to his employees employed in this state a plan or combination of plans which have been certified by the commissioner as a number two qualified plan. If the plan of health coverage does not meet the requirements of section 62E.06 for a number two qualified plan, the employer shall make available a supplemental plan of health benefits which, when combined with the existing plan of health benefits, constitutes a number two coverage plan. The plan or combinations of plans may be financed from funds contributed solely by the employer or solely by the employees or any combination thereof. The plans may consist of self insurance, health maintenance contracts, *supplemental health services contracts*, group policies or individual policies or any combination thereof.

Sec. 48. Minnesota Statutes 1978, Section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.] Every program of self insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization or *supplemental health services plan* written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. The person may exercise his right to conversion within 30 days of leaving the group or within 30 days following his receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self insurer or health maintenance organization cancelling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization or *supplemental health services plan* shall, upon request, provide the insurer or health maintenance organization or *supplemental health services plan* a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the

individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue his coverage under the same or a different contract without the addition of underwriting restrictions until he would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization or *supplemental health services plan* shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 49. Minnesota Statutes 1978, Section 72C.03, is amended to read:

72C.03 [SCOPE.] Except as otherwise specifically provided, sections 72C.01 to 72C.13 shall apply to all policies or contracts of direct insurance, issued by persons authorized at any time to transact insurance in this state and including nonprofit health service plan corporations under chapter 62C, health maintenance organizations, and *supplemental health services plans* under chapter 62D, assessment benefit associations under chapter 63, and fraternal beneficiary associations under chapter 64A. Sections 72C.01 to 72C.13 shall not apply to insurance as described in section 60A.20, subdivision 17, clauses (2) and (3), and the master contract for any policy of group insurance when the group consists of ten or more persons. Sections 72C.01 to 72C.13 shall not apply to policies or contracts issued prior to July 1, 1980 under which there is no unilateral right of the insurer to cancel, non-renew, amend or change in any way, unless the policy or contract is amended or changed by mutual agreement of the parties. Sections 72C.01 to 72C.13 shall not apply to a new policy or contract written in language other than English.

Sec. 50. Minnesota Statutes 1978, Section 144.691, Subdivision 4, is amended to read:

Subd. 4. [REPORTS.] Each hospital and outpatient surgery center, and every health maintenance organization and every *supplemental health services plan* required under section 62D.11 to implement a complaint system, shall at least annually submit to the state commissioner of health a report on the operation of its complaint or grievance mechanism. The frequency, form, and content of each report shall be as prescribed by rule of the state commissioner of health. Data relating to patient records collected by the state commissioner of health pursuant to this section shall be summary data within the meaning of section 15.162, subdivision 9. The state commissioner of health shall collect, analyze and evaluate the data submitted by the hospitals, health maintenance organizations, *supplemental health service plans*, and outpatient surgery centers; and shall periodically publish reports and studies designed to improve patient complaint and grievance mechanisms.

Sec. 51. Minnesota Statutes 1978, Section 144.692, is amended to read:

144.692 [IN-SERVICE TRAINING.] The state commissioner

of health shall study and publish recommendations for in-service personnel training programs designed to reduce the incidence of malpractice claims and suits against hospitals, outpatient surgery centers and , health maintenance organizations *and supplemental health services plans* regulated under chapter 62D.

Sec. 52. Minnesota Statutes 1978, Section 144.693, Subdivision 1, is amended to read:

144.693 [MEDICAL MALPRACTICE CLAIMS; REPORTS.] Subdivision 1. On or before September 1, 1976, and on or before March 1 and September 1 of each year thereafter, each insurer providing professional liability insurance to one or more hospitals, outpatient surgery centers, or health maintenance organizations, or *supplemental health services plans* shall submit to the state commissioner of health a report listing by facility or organization all claims which have been closed by or filed with the insurer during the period ending December 31 of the previous year or June 30 of the current year. The report shall contain, but not be limited to, the following information:

(a) The total number of claims made against each facility or organization which were filed or closed during the reporting period;

(b) The date each new claim was filed with the insurer;

(c) The allegations contained in each claim filed during the reporting period;

(d) The disposition and closing date of each claim closed during the reporting period;

(e) The dollar amount of the award or settlement for each claim closed during the reporting period; and

(f) Any other information the commissioner of health may, by rule, require.

Any hospital, outpatient surgery center, or health maintenance organization, or *supplemental health services plan* which is self insured shall be considered to be an insurer for the purposes of this section and shall comply with the reporting provisions of this section.

A report from an insurer submitted pursuant to this section is private data, as defined in section 15.162, subdivision 5a, accessible to the facility or organization which is the subject of the data, and to its authorized agents. Any data relating to patient records which is reported to the state commissioner of health pursuant to this section shall be reported in the form of summary data, as defined in section 15.162, subdivision 9.

Sec. 53. Minnesota Statutes 1978, Section 144.693, Subdivision 2, is amended to read:

Subd. 2. The state commissioner of health shall collect and review the data reported pursuant to subdivision 1. On December 1, 1976, and on January 2 of each year thereafter, the state com-

missioner of health shall report to the legislature his findings related to the incidence and size of malpractice claims against hospitals, outpatient surgery centers, and health maintenance organizations, and *supplemental health services plans* and shall make any appropriate recommendations to reduce the incidence and size of the claims. Data published by the state commissioner of health pursuant to this subdivision with respect to malpractice claims information shall be summary data within the meaning of section 15.162, subdivision 9.

Sec. 54. Minnesota Statutes 1978, Section 145.61, Subdivision 5, is amended to read:

Subd. 5. "Review organization" means a committee whose membership is limited to professionals and administrative staff, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in Minnesota Statutes, Chapter 62D, by a nonprofit health service plan corporation or *supplemental health services plan* as defined in Minnesota Statutes, Chapter 62C or by a professional standards review organization established pursuant to 42 U.S.C., Section 1320c-1 et seq. to gather and review information relating to the care and treatment of patients for the purposes of:

(a) Evaluating and improving the quality of health care rendered in the area or medical institution;

(b) Reducing morbidity or mortality;

(c) Obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) Developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) Developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) Reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations or *supplemental health services plans* ;

(g) Acting as a professional standards review organization pursuant to 42 U.S.C., Section 1320c-1 et seq.;

(h) Determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked; or

(i) Reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or , health maintenance organizations or *supplemental health services plans* and their insureds or enrollees;

(2) professional licensing board, acting under their power, including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or , health maintenance organizations or *supplemental health services plans* concerning a charge or fee for health care services provided to an insured or enrollee; or

(5) professionals or their patients and the federal, state, or local government, or agencies thereof.

Sec. 55. Minnesota Statutes 1978, Section 256B.59, Subdivision 1, is amended to read:

256B.59 [SERVICE CONTRACTS; REVIEW.] Subdivision 1. [SERVICE CONTRACTS.] For each pilot program, the commissioner shall contract for the provision and financing of dental services under the terms set forth in sections 256B.56 to 256B.63. The commissioner may contract (a) with an insurance company regulated under chapter 62A, or a nonprofit health service plan corporation regulated under chapter 62C, or a health maintenance organization or a *supplemental health services plan that offers comprehensive dental services* established pursuant to chapter 62D; or (b) directly with one or more qualified providers of dental services. The party or parties with whom the commissioner contracts under clause (a) shall be known as the dental carriers. All participants in the pilot programs shall have a free choice of vendor for the delivery of dental services.

Sec. 56. Minnesota Statutes 1978, Section 256B.60, Subdivision 2, is amended to read:

Subd. 2. The full cost of premiums for participation in a pilot program shall be paid by the commissioner for individuals who live in an area to be serviced by a pilot program and who;

(a) Are not eligible to receive dental services or reimbursement for dental services under any other program authorized by law, or who do not have coverage for dental services from an insurance company, a nonprofit service plan corporation, a *supplemental health services plan*, or a health maintenance organization; and

(b) Are retired and aged 62 or over; and

(c) Have an annual net income of less than \$3,900 if single, or \$4,875 if married.

### ARTICLE III

Section 1. Minnesota Statutes 1978, Section 62A.043, is amended by adding a subdivision to read:

*Subd. 3. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or con-*

*tractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 2. Minnesota Statutes 1978, Section 62A.149, Subdivision 1, is amended to read:

**62A.149 [BENEFITS FOR ALCOHOLICS AND DRUG DEPENDENTS.]** Subdivision 1. The provisions of this section shall apply to all group policies of accident and health insurance and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, and to a plan or policy that is individually underwritten or provided for a specific individual and the members of his family as a nongroup policy unless the individual elects in writing to refuse benefits under this subdivision in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan, when the policies or subscriber contracts are issued or delivered in Minnesota or provide benefits to Minnesota residents enrolled thereunder. *This section shall not apply to policies designated primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis or policies that provide accident only coverage.*

Every insurance policy or subscriber contract included within the provisions of this subdivision, upon issuance or renewal, shall provide for payment of benefits for the treatment of alcoholism, chemical dependency or drug addiction to any Minnesota resident entitled to coverage thereunder on the same basis as coverage for other benefits when treatment is rendered in:

- (1) a licensed hospital,
- (2) a residential treatment program as licensed by the state of Minnesota pursuant to diagnosis or recommendation by a doctor of medicine,
- (3) a non-residential treatment program approved or licensed by the state of Minnesota.

Sec. 3. Minnesota Statutes 1978, Section 62A.149, is amended adding a subdivision to read:

*Subd. 3. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 4. Minnesota Statutes 1978, Section 62A.15, is amended by adding a subdivision to read:

*Subd. 5. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 5. Minnesota Statutes 1978, Section 62A.151, is amended to read:

**62A.151 [HEALTH INSURANCE BENEFITS FOR EMOTIONALLY HANDICAPPED CHILDREN.]** No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or nonprofit health service plan corporation regulated under chapter 62C, or health maintenance organization regulated under chapter 62D which provides coverage of or reimbursement for inpatient hospital and medical expenses shall be delivered, issued, executed or renewed in this state, or approved for issuance or renewal in this state by the commissioner of insurance, after July 1, 1975 unless the policy or plan includes and provides health service benefits to any subscriber or other person covered thereunder, on the same basis as other benefits, for the treatment of emotionally handicapped children in a residential treatment facility licensed by the commissioner of public welfare. For purposes of this section "emotionally handicapped child" shall have the meaning set forth by the commissioner of public welfare in the rules and regulations relating to residential treatment facilities. The restrictions and requirements of this section shall not apply to any plan or policy which is individually underwritten or provided for a specific individual and the members of his family as a nongroup policy. The mandatory coverage under this section shall be on the same basis as inpatient hospital medical coverage provided under the policy or plan. *Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 6. Minnesota Statutes 1978, Section 62A.152, is amended by adding a subdivision to read:

*Subd. 3. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 7. Minnesota Statutes 1978, Section 62A.153, is amended to read:

**62A.153 [FREE STANDING AMBULATORY SURGICAL CENTERS.]** No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C shall be issued, renewed, continued, delivered, issued for delivery or executed in this state, or approved for issuance or renewal in this state by the commissioner of insurance unless the policy, plan or contract specifically provides coverage for a health care treatment or service rendered by a free standing ambulatory surgical center or facilities offering ambulatory medical service 24 hours a day seven days a week, which are not part of a hospital, but have been reviewed and

approved by the state commissioner of health to provide the treatment or service, on the same basis as coverage provided for the same health care treatment or service rendered by a hospital. *Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D.*

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 62E.06, Subdivision 1, is amended to read:

**62E.06 [MINIMUM BENEFITS OF QUALIFIED PLAN.]**  
Subdivision 1. **[NUMBER THREE PLAN.]** A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62E, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

~~The \$3,000 limitation on total annual out-of-pocket expenses and the \$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.~~

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

- (1) Hospital services;
- (2) Professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than outpatient mental or dental, which are rendered by a physician or at his direction;
- (3) Drugs requiring a physician's prescription;
- (4) Services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under medicare;
- (5) Services of a home health agency if the services would qualify as reimbursable services under medicare;
- (6) Use of radium or other radioactive materials;
- (7) Oxygen;
- (8) Anesthetics;
- (9) Prostheses other than dental;

(10) Rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;

(11) Diagnostic X-rays and laboratory tests;

(12) Oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;

(13) Services of a physical therapist; and

(14) Transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) Any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, medicare or any other governmental program except as otherwise provided by law;

(2) Any charge for treatment for cosmetic purposes other than surgery for the repair of an injury or birth defect;

(3) Care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under medicare;

(4) Any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semi-private room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semi-private rooms, its most common semi-private room charge shall be considered to be 90 percent of its lowest private room charge;

(5) That part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) Any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for the following services subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations:

(1) Well baby care, effective July 1, 1980:

~~(2) Physicians' services for routine check-ups and annual physicals when prescribed by a physician, effective July 1, 1982;~~

~~(3) Multiphasic screening and other diagnostic testing, effective July 1, 1982. The commissioner by rule shall prescribe reasonable limits on the reimbursement required for services listed in this clause.~~

(e) Effective July 1, 1979, the minimum benefits of qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

#### ARTICLE IV

Section 1. [FINDINGS.] *The legislature finds that health care costs are an increasingly heavy burden on families and individuals and upon employers and governmental units which pay for health care benefits to their employees, dependents of their employees, and their citizens. The legislature further finds that increased competition, public awareness of health care costs, cost sharing, utilization of alternative delivery systems, and the termination of unnecessary regulation can contribute to a reduction in the escalation of health care costs.*

Sec. 2. Minnesota Statutes 1978, Section 144.703, is amended by adding a subdivision to read:

*Subd. 3. In the event that the United States government enacts a hospital rate review or rate regulation program, the commissioner may seek an exemption from the federal law.*

Sec. 3. Minnesota Statutes 1978, Section 144.703, is amended by adding a subdivision to read:

*Subd. 4. The commissioner of health shall annually prepare a comparative list of not less than 25 nor more than 75 illnesses, injuries or conditions. The list shall specify, according to hospital, the respective price or charge of each hospital for treatment by surgical or medical means of each of the illnesses, injuries, or conditions. All hospitals in the state shall cooperate with the commissioner in preparing the list, post the list in their hospital lobbies, and make copies of the list available upon request to patients or prospective patients. The commissioner shall publicize the availability of the lists, make copies available to the public and health care providers upon request, and take other appropriate actions to increase public and provider awareness and use of the list.*

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 145.837, Subdivision 1, is amended to read:

145.837 [REVIEW OF APPLICATIONS.] Subdivision 1. [CRITERIA FOR REVIEW.] The commissioner of health shall,

after consulting with the state planning agency and the health systems agencies, promulgate rules governing the health systems agencies in their determinations whether certificates of need are required and in their review of applications for certificates of need pursuant to sections 145.832 to 145.845. The rules shall provide for the consideration of at least the following criteria:

(a) The relationship of the proposed construction or modification to the applicable health system plan and annual implementation plan;

(b) The relationship of the construction or modification being proposed to the long range development plan of the health care facility requesting the certificate of need;

(c) The need for health care facilities and services, excluding home health services, in the area and the requirements of the population of the area;

(d) The availability and adequacy of other less costly or more effective health services in the area which may serve as alternatives or substitutes for the whole or any part of the service to be provided by the proposed construction or modifications;

(e) The relationship of the proposed construction or modification to the existing health care system of the area, including the possible economics and improvement in service that may be derived from operation of joint, cooperative, or shared health care resources;

(f) The availability of resources, including health care providers, management personnel, and funds for both capital and operational needs for the provision of the services proposed to be provided and the availability of alternative uses of such resources for the provision of other health services;

(g) The immediate and long-term financial feasibility of the proposed construction or modification, as well as its probable impact on the operational costs and charges of the health care facility;

(h) The relationship, including the organizational relationship, of the health services proposed to be provided to ancillary or support services;

(i) The special needs and circumstances of medical teaching, research facilities and referral facilities which provide a substantial portion of their services or resources, or both, to individuals outside of the health service area;

(j) The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages;

(k) In the case of a construction project: the costs and methods of the proposed construction, including the costs and methods of energy provision and the probable impact of the construction

project reviewed on the costs of providing health services by the person proposing the project;

(l) The special needs of hospitals to convert excess hospital beds to long-term care or other alternate functions, but only if the hospitals terminate all acute care services; and

(m) The special requirements of health maintenance organizations to meet the health care needs of their present and future subscribers; and

(n) The effect of the proposed construction or modification on competition among health care providers and whether the proposed construction or modification will support development of competitive delivery systems.

Sec. 5. Minnesota Statutes 1978, Chapter 145, is amended by adding a section to read:

[145.846] [FEDERAL WAIVER.] *In the event that the United States government requires states to include health maintenance organizations, supplemental health services plans, or home health agencies under their certificate of need laws, the commissioner may seek an exemption from the federal requirements.*

Sec. 6. Minnesota Statutes 1978, Chapter 256B, is amended by adding a section to read:

[256B.066] *The commissioner of public welfare, in conjunction with the commissioner of health, shall seek to promote or establish demonstration projects in accordance with section 62D.30 to allow health maintenance organizations or other health care delivery systems to extend coverage to medical assistance recipients and other low income populations. The commissioner of public welfare may seek federal funding, shall seek necessary waivers from federal laws to conduct the projects, and shall monitor and report the progress and outcome of the projects.*

#### ARTICLE V

Section 1. [REPEALER.] *Minnesota Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2, are repealed."*

Page 6, line 10, delete "3" and insert "2"

Page 6, line 10, delete "This act shall take effect" and insert "Articles I, II, IV, and V are effective"

Page 6, line 11, delete "its" and insert "final"

Page 6, line 11, after the period insert "Article III is effective August 1, 1980 and applies only to policies, plans and contracts subject to chapters 62A, 62D and 62E issued or renewed on or after that date."

Amend the title as follows:

Page 1, line 2, delete "hospitals" and insert "health care delivery"

Page 1, line 6, after the semicolon insert:

**"promoting health maintenance organizations by eliminating certain regulations; allowing development and operation of supplemental health services plans; promoting competition in health care delivery; requiring certain optional and mandatory benefits under certain health care plans; providing increased flexibility in benefit levels; modifying certain benefit requirements under the Minnesota Comprehensive Health Insurance Act of 1976; prescribing certain duties for the commissioners of health, public welfare, and insurance;"**

Page 1, line 7, after "Sections" insert:

**"62A.043, by adding a subdivision; 62A.149, Subdivision 1, and by adding a subdivision; 62A.15, by adding a subdivision; 62A.151; 62A.152, by adding a subdivision; 62A.153; 62A.16; 62A.17, Subdivision 4; 62D.01, Subdivision 2; 62D.02, Subdivisions 4, 5, 6, and 7, and by adding subdivisions; 62D.03; 62D.04, Subdivisions 1 and 3; 62D.05; 62D.06, Subdivision 1; 62D.07; 62D.08; 62D.10, Subdivisions 1 and 3; 62D.101; 62D.11; 62D.12; 62D.13; 62D.14; 62D.15; 62D.16; 62D.17, Subdivisions 1, 3, and 4; 62D.18; 62D.19; 62D.20; 62D.21; 62D.22, Subdivisions 2, 3, 5, 6, and 8, and by adding a subdivision; 62D.25; 62D.28, Subdivisions 2 and 3; 62E.02, Subdivision 9; 62E.03, Subdivision 1; 62E.16; 72C.03; 144.50, Subdivision 1;"**

Page 1, line 7, delete "and"

Page 1, delete line 8 and insert:

**"144.691, Subdivision 4; 144.692; 144.693, Subdivisions 1 and 2; 144.703, by adding subdivisions; 145.61, Subdivision 5; 256B.59, Subdivision 1; 256B.60, Subdivision 2; Chapters 145, by adding a section; and 256B, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 62D.22, Subdivision 7; 62E.06, Subdivision 1; and 145.837, Subdivision 1; repealing Minnesota Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2."**

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend the Sikorski amendment to H. F. No. 475, adopted by the Senate March 25, 1980, as follows:

Page 47, after line 18, insert:

**"Sec. 8. Minnesota Statutes 1978, Chapter 62A, is amended by adding a section to read:**

**[62A.22] [TRANSPORTATION FOR KIDNEY DIALYSIS.]  
No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C, or health maintenance organization regulated under chapter 62D which provides coverage of or reimbursement for inpatient hospital and medical expenses shall be delivered, issued, executed or renewed in this**

*state, or approved for issuance or renewal in this state by the commissioner of insurance unless the policy, plan or contract provides coverage for transportation at a reasonable mileage rate to a kidney dialysis center for treatment prescribed by a physician. Benefits under this section are not required if the insurer or plan annually obtains from the policyholder or contractholder a written statement that benefits equal to or greater than those required under this section are provided through a supplemental health services plan regulated under chapter 62D."*

Renumber the sections in sequence

Amend the title amendment as follows:

Page 55, line 37, after "Chapters" insert "62A, by adding a section;"

### CALL OF THE SENATE

Mr. Nelson imposed a call of the Senate for the balance of the proceedings on H. F. No. 475. The following Senators answered to their names:

Anderson	Hughes	Nichols	Schmitz	Stumpf
Barrette	Humphrey	Olhoff	Setzepfandt	Tennesen
Benedict	Keefe, S.	Olson	Sikorski	Ueland, A.
Brataas	Knaak	Omann	Sillers	Ulland, J.
Chmielewski	Knoll	Penny	Solon	Vega
Dunn	Lessard	Perpich	Spear	Willet
Frederick	Luther	Pillsbury	Staples	
Gearty	Merriam	Purfeerst	Stern	
Gunderson	Moe	Renneke	Stokowski	
Hanson	Nelson	Rued	Strand	

The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Chmielewski to amend the Sikorski amendment to H. F. No. 475. The motion prevailed. So the amendment to the Sikorski amendment was adopted.

H. F. No. 475 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Omann	Stern
Bang	Gunderson	Lessard	Penny	Stokowski
Barrette	Hanson	Luther	Perpich	Strand
Benedict	Hughes	Merriam	Pillsbury	Stumpf
Bernhagen	Humphrey	Moe	Purfeerst	Tennesen
Chmielewski	Johnson	Nelson	Schaaf	Ulland, J.
Davies	Keefe, S.	Nichols	Schmitz	Vega
Dieterich	Kirchner	Ogdahl	Setzepfandt	Willet
Dunn	Kleinbaum	Olhoff	Sikorski	
Engler	Knaak	Olson	Staples	

Those who voted in the negative were:

Brataas	Renneke	Sillers	Spear	Ueland, A.
Frederick	Rued			

So the bill, as amended, passed and its title was agreed to.

#### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 1896 a Special Order to be heard immediately.

H. F. No. 1896: A bill for an act relating to juveniles; establishing criteria for reference of certain juveniles for prosecution; requiring written findings and conclusions after reference hearings; providing monitoring by the crime control planning board; amending Minnesota Statutes 1978, Section 260.125, by adding subdivisions.

Mr. Sikorski moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 5, line 6, delete "*described in*"

Page 5, line 7, delete the new language

Page 5, line 11, strike "; or"

Page 5, lines 15 to 19, delete the new language

Page 16, lines 21 to 24, delete the new language

Page 17, line 29, strike everything after "(4)"

Page 17, line 30, strike "defined in section 260.015, subdivision 5,"

Page 17, line 31, delete the new language

Page 18, line 4, strike everything after "(d)"

Page 18, line 5, strike "defined in section 260.015, subdivision 5,"

Page 18, line 6, delete the new language

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate, March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 33, delete lines 30 and 31 and insert:

"Sec. 33. Minnesota Statutes 1978, Section 609.685, is amended to read:

609.685 [FURNISHING TOBACCO TO CHILDREN.] Whoever does any of the following furnishes tobacco in any form to a person under the age of 18 years may be sentenced to imprisonment for not more than 30 days or to payment of a fine of not more than \$50:

(1) Being under the age of 18 years, uses tobacco in any form; or

(2) Furnishes tobacco in any form to one not entitled thereto under clause (1)."

Amend the title as follows:

Page 1, line 23, delete "repealing the statute" and insert "deleting provisions"

Page 1, line 36, after the semicolon, insert "609.685;"

Page 1, line 38, delete everything after the semicolon

Page 1, line 39, delete everything before the period

The motion prevailed. So the amendment was adopted.

Mr. Sikorski moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 15, lines 3 to 12, delete the new language and insert "No prior allegation or adjudication of delinquency or other records of the juvenile court with respect to a person shall be considered by any court in sentencing the person convicted for an offense committed after he has attained the age of 21 years."

Page 33, line 15, delete "all records pertaining to the" and insert "neither that"

Page 33, line 16, delete "and all" and insert "nor any"

Page 33, line 16, delete "convictions" and insert "conviction"

Page 33, line 16, delete "expunged and"

Page 33, line 17, delete "shall not be"

Page 33, line 17, delete "a" and insert "any"

Page 33, line 17, delete "for any" and insert "in determining a sentence to be imposed for a conviction occurring after the expiration of the period."

Page 33, delete lines 18 and 19

Page 33, line 25, delete "all records pertaining to the" and insert "neither that"

Page 33, line 26, delete "and all" and insert "nor any"

Page 33, line 26, delete "convictions" and insert "conviction"

Page 33, line 27, delete "*expunged and shall not be*"

Page 33, line 28, delete "*a*" and insert "*any*"

Page 33, line 28, delete everything after "*court*"

Page 33, line 29, delete "*disability*"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 31, lines 27 and 28, delete "*, other than the supreme court,*"

The motion prevailed. So the amendment was adopted.

Mr. Davies then moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 9, line 20, after "*clause*" insert "*(d)*"

The motion prevailed. So the amendment was adopted.

Mr. Sikorski moved to amend H.F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 2, after line 2, insert:

"Section 1. Minnesota Statutes 1978, Section 241.021, Subdivision 1, is amended to read:

241.021 [LICENSING AND SUPERVISION OF INSTITUTIONS AND FACILITIES.] Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS; ADVISORY TASK FORCES.] (1) The commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. He shall promulgate pursuant to chapter 15, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner may provide by rule for provisional licenses which authorize

the operation of a correctional facility on a temporary basis where the operator is temporarily unable to comply with all of the requirements for a license. Notwithstanding the provisions of sections 15.0412 and 15.0413, rules setting standards for group homes established under the direction of the juvenile courts shall not take effect until September 1, 1979. The commissioner shall have access to the buildings, grounds, books, records, staff and to persons detained or confined in these facilities. He may require the officers in charge of these facilities to furnish all information and statistics he deems necessary, upon forms furnished by him. *Rules promulgated hereunder establishing the maximum number of children permitted to reside in group homes shall require that children in the group foster parents' natural family be counted in the number of children actually residing in the group home, and the application of the rules providing the maximum number and manner of counting residents shall not be waived.*

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1) of this subdivision, except foster care facilities for delinquent children and youth as provided in subdivision 2, does not conform to the minimum standards established by law or by the commissioner, he shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, he may issue his order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, he may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means

any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted or adjudicated to be guilty or delinquent."

Page 20, line 16, delete "26" and insert "27"

Page 33, line 32, delete "26" and insert "27"

Page 33, line 33, delete "23, 24 and 25" and insert "24 to 26"

Page 34, line 3, delete "22, and 27 to 33" and insert "23, and 28 to 34"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for maximum capacities for licensed group homes;"

Page 1, line 25, after "Sections" insert "241.021, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Barrette moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 2, after line 2, insert:

"Section 1. Minnesota Statutes 1978, Section 244.04, Subdivision 2, is amended to read:

Subd. 2. By May 1, 1980 1981, the commissioner shall promulgate rules specifying disciplinary offenses which may result in the loss of good time and the amount of good time which may be lost as a result of each disciplinary offense. In no case shall an individual disciplinary offense result in the loss of more than 90 days of good time. The loss of good time shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for the loss of good time and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 2. Minnesota Statutes 1978, Section 244.08, Subdivision 1, is amended to read:

244.08 [MINNESOTA CORRECTIONS BOARD; COMMISSIONER.] Subdivision 1. Effective May 1, 1980 1981, the Minnesota corrections board shall have only those powers and duties vested in and imposed upon it in sections 241.26, subdivision 1, 244.01 to 244.11, 609.10, 609.145, subdivision 1, 609.165, subdivision 2, and 609.346, subdivision 1, with relation to persons sentenced for crimes committed on or after May 1, 1980 1981.

The Minnesota corrections board shall retain all powers and

duties presently vested in and imposed upon it with relation to persons sentenced for crimes committed on or before April 30, 1980 1981.

The Minnesota corrections board shall take into consideration, but not be bound by, the sentence terms embodied in the sentencing guidelines promulgated by the Minnesota sentencing guidelines commission and the penal philosophy embodied in sections 241.26, subdivision 1, 244.01 to 244.11, 609.10, 609.145, subdivision 1, 609.165, subdivision 2, and 609.346, subdivision 1, in its deliberations relative to parole, probation, release, or other disposition of inmates who commit the crimes giving rise to their sentences on or before April 30, 1980 1981.

Sec. 3. Minnesota Statutes 1978, Section 244.09, Subdivision 12, is amended to read:

Subd. 12. The guidelines shall be submitted to the legislature on January 1, 1980, and shall be effective May 1, 1980 1981, unless the legislature provides otherwise.

Sec. 4. Minnesota Statutes 1978, Section 244.09, is amended by adding a subdivision to read:

*Subd. 13. The provisions of law implementing the sentencing guidelines prescribed in sections 244.01 to 244.08 and 244.10 and 244.11 shall be effective May 1, 1981, unless the legislature provides otherwise."*

Page 20, line 16, delete "26" and insert "30"

Page 33, after line 29, insert:

"Sec. 37. Laws 1978, Chapter 723, Article I, Section 20, Subdivision 2, is amended to read:

Subd. 2. Sections 1 to 8, 10 to 17, and 19 are effective May 1, 1980 1981, and apply to all offenses committed on or after that date and to all persons convicted of a felony committed on or after that date."

Page 33, line 32, delete "26" and insert "30"

Page 33, line 33, delete "23, 24 and 25" and insert "27 to 29"

Page 34, line 3, delete "1 to 22, and 27 to 33" and insert "5 to 26, 31 to 36, and 38"

Page 34, after line 5, insert:

*"Subd. 3. Sections 1 to 4 and 37 are effective the day following final enactment."*

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "delaying implementation of sentencing guidelines;"

Page 1, line 25, after "Sections" insert "244.04, Subdivision 2; 244.08, Subdivision 1; 244.09, Subdivision 12, and by adding a subdivision;"

Page 1, line 38, after the semicolon, insert "and Laws 1978, Chapter 723, Article I, Section 20, Subdivision 2;"

### CALL OF THE SENATE

Mr. Sikorski imposed a call of the Senate for the balance of the proceedings on H. F. No. 1896. The following Senators answered to their names:

Anderson	Hanson	Menning	Renneke	Stokowski
Ashbach	Humphrey	Merriam	Rued	Strand
Barrette	Johnson	Moe	Schaaf	Stumpf
Benedict	Keefe, S.	Nelson	Schmitz	Tennessen
Bernhagen	Kirchner	Olhoff	Setzepfandt	Ueland, A.
Chmielewski	Kleinbaum	Olson	Sieloff	Ulland, J.
Davies	Knaak	Omann	Sikorski	Vega
Dieterich	Knoll	Penny	Sillers	Willet
Dunn	Knutson	Perpich	Spear	
Engler	Leesard	Peterson	Staples	
Gearty	Luther	Pillsbury	Stern	

The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Barrette amendment.

The roll was called, and there were yeas 22 and nays 36, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knaak	Renneke	Ueland, A.
Bang	Frederick	Knutson	Rued	Ulland, J.
Barrette	Jensen	Ogdahl	Sieloff	
Bernhagen	Keefe, J.	Omann	Sillers	
Dunn	Kirchner	Pillsbury	Strand	

Those who voted in the negative were:

Anderson	Humphrey	Menning	Purfeerst	Stumpf
Benedict	Johnson	Merriam	Schaaf	Tennessen
Chmielewski	Keefe, S.	Moe	Schmitz	Vega
Davies	Kleinbaum	Nelson	Setzepfandt	Willet
Dieterich	Knoll	Olhoff	Sikorski	
Gearty	Leesard	Olson	Spear	
Gunderson	Luther	Penny	Stern	
Hanson	McCutcheon	Perpich	Stokowski	

The motion did not prevail. So the amendment was not adopted.

Mr. Sieloff moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 33, delete section 33

Page 34, line 3, delete "33" and insert "32"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 23

Page 1, line 24, delete "smoking;"

Page 1, line 38, delete everything after "section"

Page 1, line 39, delete everything before the period

The motion did not prevail. So the amendment was not adopted.

Mr. McCutcheon moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 32, after line 23, insert:

"Sec. 31. Minnesota Statutes 1978, Section 484.70, is amended by adding a subdivision to read:

*Subd. 5. No referee sitting in juvenile court in the second and fourth judicial districts may hear any motion involving a contested case or preside at any hearing or final trial involving a contested case if either party or his attorney objects in writing to the assignment of a referee to hear the matter. The court shall, by rule, specify the time within which the objections must be filed. If written objections are not filed consistent with the court's rules, the parties and their attorneys are deemed to have conferred full judicial powers to the referee."*

Page 34, line 3, delete "33" and insert "30 and 32 to 33"

Page 34, after line 5, insert:

*"Subd. 3. Section 31 is effective the day following final enactment and expires July 31, 1981."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 22, after the semicolon, insert "authorizing juvenile court referees in the second and fourth judicial districts to hear contested trials, hearings, or motions unless objection is made;"

Page 1, line 35, after the third semicolon, insert "484.70, by adding a subdivision;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 42 and nays 15, as follows:

**Those who voted in the affirmative were:**

Anderson	Gearty	Laufenburger	Pillsbury	Stokowski
Bang	Gunderson	Lessard	Renneke	Stumpf
Barrette	Hughes	McCutcheon	Rued	Ueland, A.
Benedict	Humphrey	Menning	Schaaf	Ulland, J.
Bernhagen	Jensen	Nelson	Setzepfandt	Veza
Chmielewski	Johnson	Ogdahl	Sieloff	Willet
Dunn	Keefe, J.	Olson	Sillers	
Engler	Knoll	Perpich	Solon	
Frederick	Knutson	Peterson	Staples	

**Those who voted in the negative were:**

Davies	Kleinbaum	Moe	Purfeerst	Stern
Dieterich	Luther	Olhoff	Sikorski	Strand
Hanson	Merriam	Penny	Spear	Tennessee

The motion prevailed. So the amendment was adopted.

Mr. Sikorski moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 13, line 14, after "case" insert "*and shall be entitled, upon request, to be notified of the disposition of the case*"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend H. F. No. 1896, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2149.)

Page 25, line 31, delete "*two*" and insert "*three*"

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend the McCutcheon amendment to H. F. No. 1896, adopted by the Senate March 25, 1980, as follows:

Page 1, line 10 of the McCutcheon amendment, delete "*and fourth*" and delete "*districts*" and insert "*district*"

Amend the McCutcheon title amendment as follows:

Page 2, lines 6 and 7 of the McCutcheon amendment, delete "*and fourth*"

Line 7, delete "*districts*" and insert "*district*"

The motion did not prevail. So the amendment to the McCutcheon amendment was not adopted.

H. F. No. 1896 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Solon
Ashbach	Gearty	Laufenburger	Perpich	Spear
Bang	Gunderson	Lessard	Peterson	Staples
Barrette	Hanson	Luther	Pillsbury	Stern
Benedict	Hughes	McCutcheon	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Rued	Strand
Chmielewski	Jensen	Merriam	Schaaf	Stumpf
Coleman	Keefe, J.	Moe	Schmitz	Tennessee
Davies	Keefe, S.	Nelson	Setzepfandt	Ueland, A.
Dieterich	Kirchner	Ogdahl	Sieloff	Vega
Dunn	Kleinbaum	Ohofst	Sikorski	Wegener
Engler	Knoll	Olson	Sillers	Willet

Mr. Ulland, J. voted in the negative.

So the bill, as amended, passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1121:

H. F. No. 1121: A bill for an act relating to taxation; updating the definition of gross income for income tax purposes for individuals, trusts and estates with certain modifications; providing for exempt-interest dividends for certain mutual funds; extending the political contribution credit to congressional and local candidates; clarifying certain definitions; providing a tax credit for energy conservation expenditures; clarifying the renewable energy source credit; increasing the dependent care credit; extending investment tax credits to family corporations; making certain changes in the minimum tax and in the treatment of small business corporations; allowing a ten year carryback of product liability losses; providing for deferral of certain gains recognized in the disposition of broadcasting property; reducing certain property tax classification ratios; increasing homestead credits; changing the property tax status of certain mobile homes; providing for delayed assessments for certain improvements; increasing homestead base value; providing a classification for neighborhood real estate trusts; adjusting levy limits and providing for certain special levies; providing for certain hearings and appeals on special assessments; clarifying property tax settlements; clarifying certain property tax refund filing due dates; extending eligibility for property tax refunds to certain claimants; providing for adjustment of property tax refunds due to abatements; providing state reimbursement for certain property; authorizing heat applied tax stamping machines; increasing the sales tax on retail sales from vending machines; providing a sales tax exemption for certain arts admissions; fixing maximum interest rates on public ob-

ligations; excepting certain debt obligations from public sale requirement; appropriating money; amending Minnesota Statutes 1978, Sections 124.212, Subdivision 2; 168.012, Subdivision 9; 273.13, Subdivisions 3 and 17b, and by adding a subdivision; 275.51, by adding a subdivision; 275.52, Subdivisions 2 and 5; 276.04; 276.09; 276.10; 276.11; 290.01, by adding a subdivision; 290.09, Subdivisions 2, 24 and 28; 290.095, by adding a subdivision; 290.13, by adding a subdivision; 290.26, Subdivision 2; 290.-49, Subdivision 10; 290.971, Subdivisions 1, 3 and 6; 290.972, Subdivisions 1, 3 and 5; 290A.06; 290A.11, by adding a subdivision; 290A.17; 290A.18; 290A.19; 297.03, Subdivision 6; 297A.02; 297A.25, Subdivision 1; 375.192, Subdivision 1; 429.061, Subdivisions 1 and 2; 429.081; 474.06; 475.55; 475.60, Subdivision 2; Chapters 273, by adding sections; and 298, by adding sections; Minnesota Statutes, 1979 Supplement, Sections 273.122; 273.13, Subdivisions 4, 5a, 6, 7, 14a and 19; 275.50, Subdivision 5; 290.01, Subdivision 20; 290.06, Subdivisions 11 and 14; 290.067, Subdivisions 1 and 2; 290.09, Subdivision 3; 290.091; 290.095, Subdivision 1; 290.14; 290.17, Subdivision 1; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes 1978, Section 290.971, Subdivision 5; and Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Sieben, H.; Eken; Casserly; Pehler and Schreiber have been appointed as such committee on the part of the House.

House File No. 1121 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives  
Transmitted March 25, 1980

Mr. Coleman, for Mr. McCutcheon, moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1121, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1938: A bill for an act relating to energy; creating the Minnesota state energy fund; authorizing the Minnesota energy

agency to administer and supervise programs of loans and grants for public improvements of a capital nature relating to the construction of energy systems utilizing from renewable resources and for efficient energy delivery and use; creating a program of aid to small businesses and low and moderate incomes to assist in the large scale conversion to energy systems using renewable resources and otherwise making the use of existing systems more efficient; authorizing the issuance of state bonds pursuant to Article XI of the Minnesota Constitution; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, delete "exhausted. Others will be"

Page 1, line 22, after "or" insert "may"

Page 1, line 27, delete "deteriorate" and insert "stagnate"

Page 2, line 27, after "to" insert "allow"

Page 2, line 27, delete "and small"

Page 2, delete line 28 and insert "to convert to the use of renewable energy sources or traditional"

Page 2, line 29, delete "plentiful" and after "sources" insert "that are more plentiful and for energy conservation"

Page 2, line 30, after "[DEFINITIONS.]" insert "Subdivision 1."

Page 2, line 31, delete "15" and insert "14"

Page 2, line 32, delete "(1)" and insert "Subd. 2."

Page 2, line 32, before the period, insert "except that in section 14 "agency" means the Minnesota housing finance agency"

Page 2, line 33, delete "(2)" and insert "Subd. 3."

Page 3, line 1, delete "15" and insert "12"

Page 3, line 2, delete "(3)" and insert "Subd. 4."

Page 3, line 4, delete "(4)" and insert "Subd. 5."

Page 3, line 5, after "convert" insert "conventional or" and delete the comma

Page 3, line 6, delete "traditional fuels which are not designated as scarce,"

Page 3, line 7, delete the comma

Page 3, line 9, delete "(5)" and insert "Subd. 6."

Page 3, line 12, delete "15" and insert "14"

Page 3, line 12, delete "specifically" and insert "fully"

Page 3, line 13, delete "the agency" and insert "rule, but during calendar year 1980 only persons having an annual household

income between 125 percent of the United States office of management and budget poverty guideline level and \$30,000 as determined pursuant to Minnesota Statutes, Section 290A.03, Subdivision 5, shall be considered low and moderate income persons. The income limits may be adjusted for inflation, by not more than 5 percent each year, for years subsequent to 1980"

Page 3, line 14, delete "(6)" and insert "Subd. 7."

Page 3, line 14, delete "or" and insert "school district, public or private institution of higher education, the Metropolitan Council, the Region 7 Development Commission, a municipal power agency, or any group or combination of those units operating under an agreement to jointly undertake projects authorized by sections 1 to 13"

Page 3, delete lines 15 to 17

Page 3, line 18, delete everything before the period

Page 3, line 22, delete "(7)" and insert "Subd. 8."

Page 3, line 24, after "solar" insert "radiation"

Page 3, line 28, delete "(e) wave action;" and reletter the clauses in sequence

Page 4, line 2, delete "(8)" and insert "Subd. 9."

Page 4, line 2, after "means" delete the rest of the line and insert "small business concern, as defined by 15 U.S.C. section 632 and 15 C.F.R. section 121.3-10 and other regulations defining small business concern for purposes of federal small business administration loans."

Page 4, delete lines 3 to 5

Page 4, line 6, delete "(9)" and insert "Subd. 10."

Page 4, line 22, after the period, insert "Feasibility studies performed pursuant to clauses (a) and (b) shall in no case exceed five percent of total estimated cost of a project."

Page 4, line 23, delete "(10)" and insert "Subd. 11."

Page 4, line 28, delete "and"

Page 4, after line 28 insert:

" (e) liquefied petroleum gas (LPG or propane); and"

Page 4, line 29, delete "(e)" and insert "(f)"

Page 4, line 32, after "oil" insert ", natural gas,"

Page 5, line 6, delete "15" and insert "14"

Page 5, line 11, delete "small businesses and"

Page 5, line 12, delete "sections 1 to 15" and insert "section 14"

Page 5, line 15, delete "grants and"

Page 5, line 15 after "the" insert "state energy" and after "fund" insert "debt account"

Page 5, line 18, delete ", small"

Page 5, delete line 19 except the semicolon

Page 5, line 20, delete "grants"

Page 5, line 21, delete "and"

Page 5, line 22, delete "grants or"

Page 5, line 25, delete "technological"

Page 5, line 28, delete "and,"

Page 5, line 29, after "(4)" delete the remainder of line 29 and line 30 and insert "Priorities for the evaluation of loan applications, including:

(a) the quantities and costs of scarce fuels estimated to be saved by the project;

(b) the environmental benefits of the project;

(c) the type and extent of employment created by the project;

(d) the extent to which the project has obtained additional financial support from federal, private, or other sources; and

(e) other matters the director finds necessary for the proper ranking of proposals submitted by qualified municipal applicants; and

(5) A limit of five percent of total project cost for feasibility studies."

Page 6, line 5, delete "and grants"

Page 6, line 7, delete "those purposes" and insert "this purpose"

Page 6, line 10, delete "All the"

Page 6, line 10, delete "fund" and insert "funds"

Page 6, line 11, delete "fund" and insert "funds"

Page 6, line 12, after "agency" insert "and the Minnesota housing finance agency"

Page 6, line 12, delete "fund" and insert "funds" and after "and" insert "shall"

Page 6, line 15, after "fund" insert "debt account"

Page 6, line 17, delete "the agency's own" and insert "agency rules"

Page 6, line 18, delete "regulations"

Page 6, line 20, delete "grant or"

Page 7, line 1, delete "one or more of"

Page 7, line 10, delete "as" and insert "which"

Page 7, line 17, delete "or grants"

Page 7, line 20, delete "or individual residence"

Page 7, delete line 32

Page 7, line 33, delete "(9)" and insert "(8)"

Page 8, line 1, delete "or grants"

Page 8, line 2, after "municipalities" insert ", pursuant to subdivision 1,"

Page 8, line 3, delete "both technologically" and after "feasible" insert ", energy efficient and cost effective in comparison with scarce traditional fuels,"

Page 8, delete section 9 and insert:

"Subd. 3. [MUNICIPAL LOANS TO SMALL BUSINESSES.]

(a) The agency, in consultation with the department of economic development, may make loans from the state energy fund debt account to municipalities for the purpose of funding programs of loans and grants to small businesses. To the extent possible, loans and grants made for these purposes shall constitute at least 25 percent of loan monies disbursed pursuant to sections 1 to 13 in each year. Loans and grants pursuant to these programs shall be made only for purposes of assisting small businesses with the expense incurred in connection with (a) installing or converting to energy systems utilizing renewable energy resources, (b) converting energy systems using relatively scarce fossil fuels to systems using more plentiful fossil fuels or peat, and (c) installing energy conserving components, materials, or equipment as defined by the agency.

(b) Each loan made pursuant to this subdivision shall be secured by a resolution adopted by the governing body of the municipality. The resolution shall obligate the municipality to make annual payments to the energy bond account. The payments of principal shall be in amounts sufficient to pay the principal amount of the loan within the period required by the agency. The payments of principal are not required to be equal or at a regular increasing rate. The rate on the loan shall be calculated on the declining balance at a rate not less than the average annual interest rate on the state bonds of the issue from which proceeds the loan was made.

(c) Prior to issuing any bonds for the purposes of this subdivision, the commissioner of finance shall obtain either a revenue ruling from the Internal Revenue Service or other adequate assurance that the bonds' interest payments will be exempt from taxation under section 103(a) of the internal revenue code.

(d) Section 10 shall not apply to loans made pursuant to this subdivision."

Page 8, line 16, delete "10" and insert "9"

Page 8, line 18, delete "grants or"

Page 8, line 21, delete "grants or"

Page 8, line 22, delete "section" and insert "act"

Page 9, line 4, delete "taxes,"

Page 9, delete line 5 and insert "pledged for the support of the project."

Page 9, line 6, delete "11" and insert "10"

Page 9, line 10, delete "or" and insert a period

Page 9, delete line 11

Page 11, line 29, delete "also" and insert "(a)"

Page 11, line 32, delete the period and insert "; (b) transfer and use for the purposes of the project any surplus funds of the municipality not specifically dedicated to any other purpose; and (c) levy taxes of up to one mill but not in excess of \$30 per capita on property within the municipal limits, except that the one mill and \$30 per capita limits shall not apply if higher limits are approved by a referendum."

Page 11, line 33, after "municipality" insert a comma

Page 12, line 1, after "are" insert "not"

Page 12, line 1, before the period insert "and shall be treated as a special levy pursuant to section 275.50, subdivision 5, clause (f)"

Page 12, line 1, delete "However,"

Page 12, delete lines 2 through 13

Page 12, line 15, after the comma insert "including a"

Page 12, line 17, delete "company or corporation of a" and insert "in whole or"

Page 12, line 18, after "maintenance" insert a comma

Page 12, line 19, delete everything after "facilities" and insert ". The payment may be made to the municipality in a lump sum,"

Page 12, line 20, delete everything before "or"

Page 12, line 21, after "maintenance" insert a comma

Page 12, line 23, after "money" insert "so"

Page 12, lines 24 and 25, after "maintenance" insert a comma

Page 12, line 26, delete the comma

Page 12, line 27, delete "company, or corporation"

Page 12, line 29, delete ", company or corporation" and insert "who"

Page 12, line 30, delete "which may pay" and insert "pays"

Page 12, line 31, after "facilities" delete the comma

Page 13, line 3, delete "and grants"

Page 13, delete sections 12 and 13

Page 14, line 1, delete "14" and insert "11"

Page 14, line 8, delete "15" and insert "12"

Page 14, line 16, delete "16" and insert "13"

Page 17, line 23, delete "16" and insert "13"

Page 17, line 26, delete "250,000,000" and after the dollar sign insert a blank

Page 17, line 27, delete "15" and insert "12"

Page 17, line 30, delete "15" and insert "12"

Page 18, after line 5, insert:

"Sec. 14. [462A.27] [LOANS PROGRAM FOR LOW AND MODERATE INCOME PERSONS.] Subdivision 1. For purposes of this section only, the term "agency" shall mean the Minnesota housing finance agency.

Subd. 2. The agency shall establish a program of loans for persons of low and moderate income to improve the energy efficiency of their principal residences or to equip their principal residences for the use of renewable energy sources or traditional fuels that are less costly and more plentiful. Both renters and homeowners are eligible for loans offered under this program.

Subd. 3. Expenses that qualify for loans under this section shall be established by rule but shall include:

(a) weatherization retrofit materials or materials and labor on residences constructed prior to January 1, 1980,

(b) structural or building envelope repairs essential for proper weatherization,

(c) improvements in the efficiency of existing energy systems, and

(d) the installation of or conversion to energy systems using peat, renewable energy sources, or more plentiful fossil fuels. Any solar energy system financed wholly or in part by this program shall comply with solar energy system standards of performance promulgated pursuant to Minnesota Statutes 1978, Section 116H.127.

Subd. 4. Notwithstanding other provisions of section 2 and this section, households having an annual income at or below 125 percent of the U.S. office of management and budget poverty guideline levels shall be eligible for loans from this program for purposes of:

(a) improvements in the efficiency of existing energy systems; and

(b) the installation of or conversion to energy systems using peat, renewable energy sources, or more plentiful fossil fuels. Any solar energy system financed wholly or in part by this program shall comply with solar energy system standards of performance promulgated pursuant to Minnesota Statutes 1978, Section 116H.127.

Subd. 5. Loans may be issued under this section directly by the agency or by housing and redevelopment authorities or local lenders that meet qualifications established by rule. Qualified local lenders participating in the program shall be provided with application forms prepared by the agency. Loans originated by a housing and redevelopment authority or a local lender shall be assumed by the agency at full loan value plus an origination fee.

Subd. 6. Loans made pursuant to this section need not be secured by a lien on personal or real property. Loans may be in amounts no larger than \$5,000. The interest rate on loans, within the range of 8 percent to 11 percent, shall be established by rule and based on household income.

Subd. 7. No loan shall be issued to an applicant until the applicant has certified at least the following:

(a) that principal and interest on the loan will be paid in full as provided by the terms of the loan agreement,

(b) the household income of the applicant,

(c) the intended use of loan money, and

(d) that no outstanding balance remains on any previous loan authorized by this section.

Subd. 8. The obligation to repay a loan issued to a homeowner or renter under this program may be assumed by a subsequent owner or renter of the residential property improved, regardless of the household income of the subsequent owner or renter. The agency shall make no charge for the assumption of a loan."

Page 18, delete sections 17 and 18 and insert:

"Sec. 15. [APPROPRIATION FOR ENERGY LOANS TO PERSONS OF LOW AND MODERATE INCOME.] The sum of \$1,500,000 is appropriated from the general fund to the housing development fund established pursuant to Minnesota Statutes, Section 462A.21, Subdivision 10, for the purpose of loans to persons of low and moderate income as provided by section 14."

Page 18, line 21, delete "19" and insert "16"

Page 18, line 25, delete "18" and insert "13"

Amend the title as follows:

Page 1, line 5, delete "and grants"

Page 1, line 7, delete "from"

Page 1, line 8, after the semicolon, insert "allowing municipalities to create"

Page 1, line 9, delete "creating" and delete "and"

Page 1, line 10, delete "low and moderate incomes to assist"

Page 1, line 13, after the semicolon, insert "establishing a loan program for persons of low and moderate income;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for April 26, 1979:

#### **METROPOLITAN WASTE CONTROL COMMISSION CHAIRMAN**

Salisbury Adams

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for April 19, 1979:

#### **PUBLIC EMPLOYMENT RELATIONS BOARD**

Karen A. Olsen

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for May 10, 1979:

#### **PUBLIC EMPLOYMENT RELATIONS BOARD**

Sidney S. Feinberg

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal for May 2, 1979:

**STATE DESIGNER SELECTION BOARD**

**Fred W. Kegel, Jr.**

**James B. Marshall, Jr.**

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal for May 2, 1979:

**PERSONNEL BOARD**

**Glenn K. Christensen**

**William B. Flaherty**

**Paralee Milligan**

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for March 29, 1979:

**DEPARTMENT OF ADMINISTRATION  
COMMISSIONER**

**James Hiniker**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for February 19, 1979:

**DEPARTMENT OF FINANCE  
COMMISSIONER**

**Wayne Burggraaff**

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred the following appointment as reported in the Journal for April 11, 1979:

#### **PUBLIC EMPLOYMENT RELATIONS BOARD**

Thomas G. Arneson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

#### **MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Wegener introduced—

Senate Resolution No. 58: A Senate resolution extending congratulations to the "Flyers" Girls Basketball team from Little Falls for winning the Class AA High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Omann introduced—

Senate Resolution No. 59: A Senate resolution extending congratulations to the "Huskies" Girls Basketball team from Albany for winning the Class A High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Vega introduced—

Senate Resolution No. 60: A Senate resolution extending congratulations to Mike Kubes of Henry Sibley High School, for winning the 100-yard breaststroke at the Minnesota State Swimming Meet.

Referred to the Committee on Rules and Administration.

#### **RECESS**

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

**REPORTS OF COMMITTEES**

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 2039, 1582, 1457, 2337, 2170, 2369, 1778, 1638, 2027, 2369, 2375, 2217, 386, 2182, 1943, 1686, 1067, 1883, 723, 750, 2003 and H. F. No. 1513 makes the following report:

That the above Senate Files and House File be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

**APPOINTMENTS**

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 1121: Messrs. McCutcheon, Johnson, Sillers, Peterson, and Hanson.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

**MEMBERS EXCUSED**

Mr. Penny was excused from the session of today from 2:00 to 3:00 o'clock p.m. Mr. Omann was excused from the Session of today at 4:30 o'clock p.m. Messrs. Hanson, Johnson, Peterson, McCutcheon and Sillers were excused from the Session of today at 5:00 o'clock p.m. Mrs. Knaak was excused from the Session of today from 4:30 to 5:30 o'clock p.m.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 1:00 o'clock p.m., Wednesday, March 26, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, March 26, 1980

The Senate met at 1:00 o'clock p.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Gearty	Laufenburger	Omann	Spear
Bang	Gunderson	Lessard	Perpich	Staples
Barrette	Hanson	Luther	Peterson	Stokowski
Benedict	Johnson	McCutcheon	Pillsbury	Strand
Bernhagen	Keefe, S.	Menning	Renneke	Stumpf
Chmielewski	Kirchner	Merriam	Rued	Ueland, A.
Coleman	Kleinbaum	Moe	Schmitz	Ulland, J.
Davies	Knaak	Nichols	Sieloff	Vega
Dunn	Knoll	Ogdahl	Sikorski	Wegener
Frederick	Knutson	Olhoff	Solon	Willet

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Lee Freeman.

The roll was called, and the following Senators answered to their names:

Anderson	Gearty	Laufenburger	Perpich	Staples
Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Hughes	McCutcheon	Purfeerst	Strand
Benedict	Humphrey	Menning	Renneke	Stumpf
Bernhagen	Jensen	Merriam	Rued	Tennessee
Brataas	Johnson	Moe	Schaaf	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoff	Sikorski	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Penny	Spear	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Mr. Penny was excused from this afternoon's Session. Mrs. Brataas was excused from the Session of today from 1:00 to 1:45 o'clock p.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bill was read the first time and referred to the committee indicated.

Mr. Benedict, Mrs. Staples and Mr. Spear introduced—

S. F. No. 2415: A resolution memorializing the Congress and President of the United States to continue and increase the funding of the food stamp program.

Referred to the Committee on Rules and Administration.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

March 25, 1980

The Honorable Fred C. Norton  
Speaker of the House of Representatives

The Honorable Edward J. Gearty  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1980	Date Filed 1980
	2110	364	March 24	March 24
	1488	365	March 24	March 24
1755		366	March 24	March 24
1296		367	March 24	March 24
920		368	March 24	March 24
	1656	369	March 25	March 25
	1666	370	March 25	March 25
	1932	371	March 25	March 25
	2012	372	March 25	March 25
273		373	March 25	March 25
759		374	March 25	March 25
1609		375	March 25	March 25

Sincerely,  
Joan Anderson Growe,  
Secretary of State

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 2168.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 975: A bill for an act relating to cemeteries; providing for the preservation of burial grounds; eliminating obsolete provisions; imposing penalties; appropriating money; amending Minnesota Statutes 1978, Section 307.08; repealing Minnesota Statutes 1978, Section 149.07.

Senate File No. 975 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Ulland, J. moved that the Senate concur in the amendments by the House to S. F. No. 975 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 975 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hughes	Luther	Perpich	Staples
Bang	Humphrey	McCutcheon	Peterson	Stern
Barrette	Johnson	Menning	Pillsbury	Stokowski
Benedict	Keefe, J.	Merriam	Rued	Strand
Bernhagen	Keefe, S.	Moe	Schaaf	Stumpf
Chmielewski	Kirchner	Nelson	Schmitz	Tennessen
Coleman	Kleinbaum	Nichols	Setzepfandt	Ueland, A.
Davies	Knaak	Ogdahl	Sieloff	Ulland, J.
Frederick	Knoll	Olhoft	Sikorski	Vega
Gearty	Knutson	Olson	Sillers	Wegener
Gunderson	Laufenburger	Omman	Solon	Willet
Hanson	Lessard	Penny	Spear	

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 654: A bill for an act relating to human services; pro-

viding state recognition and financial grants to volunteer programs for retired senior citizens; appropriating money.

Senate File No. 654 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 25, 1980

### CONCURRENCE AND REPASSAGE

Mrs. Staples moved that the Senate concur in the amendments by the House to S. F. No. 654 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 654 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Penny	Spear
Ashbach	Gunderson	Lessard	Perpich	Staples
Bang	Hanson	Luther	Peterson	Stern
Barrette	Hughes	McCutcheon	Pillsbury	Stokowski
Benedict	Humphrey	Menning	Renneke	Strand
Bernhagen	Johnson	Merriam	Rued	Stumpf
Chmielewski	Keefe, J.	Moe	Schaaf	Tennessee
Coleman	Keefe, S.	Nelson	Schmitz	Ueland, A.
Davies	Kirchner	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Ogdahl	Sieloff	Vega
Dunn	Knaak	Olhoft	Sikorski	Wegener
Engler	Knoll	Olson	Sillers	Willet
Frederick	Knutson	Omann	Solon	

So the bill, as amended, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 507: A bill for an act relating to taxation; providing for a levy apportionment for certain jurisdictions upon an assessment level differential greater than five percent; amending Minnesota Statutes 1978, Section 270.12, Subdivision 3.

Senate File No. 507 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 25, 1980

Mr. Pillsbury moved that the Senate do not concur in the amendments by the House to S. F. No. 507 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 744: A bill for an act relating to automobile insurance; regulating damage appraisals, adjustments and related repair practices; prohibiting certain acts by insurers, adjusters and appraisers; amending Minnesota Statutes 1978, Section 72B.02, by adding a subdivision; and Chapter 72B, by adding sections.

Senate File No. 744 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 25, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Sikorski moved that the Senate concur in the amendments by the House to S. F. No. 744 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 744 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Omann	Staples
Ashbach	Hanson	Lessard	Penny	Stern
Bang	Hughes	Luther	Perpich	Stokowski
Barrette	Humphrey	McCutcheon	Peterson	Strand
Benedict	Johnson	Menning	Renneke	Stumpf
Bernhagen	Keefe, J.	Merriam	Schaaf	Tennessee
Chmielewski	Keefe, S.	Moe	Schmitz	Ulland, J.
Davies	Kirchner	Nelson	Setzepfandt	Vega
Dieterich	Kleinbaum	Nichols	Sikorski	Wegener
Engler	Knaak	Ogdahl	Sillers	Willet
Frederick	Knoll	Olhoft	Solon	
Gearty	Knutson	Olson	Spear	

Those who voted in the negative were:

Dunn	Pillsbury	Rued	Sieloff	Ueland, A.
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So the bill, as amended, was repassed and its title was agreed to.

**MESSAGES FROM THE HOUSE—CONTINUED**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 251, 262, 1662 and 1443.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 25, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 2268, 2429, 1047 and 1710.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 25, 1980

**FIRST READING OF HOUSE BILLS**

The following bills were read the first time and referred to the committees indicated.

H. F. No. 251: A bill for an act relating to local government; permitting self insurance of health benefits; authorizing joint self insurance; amending Minnesota Statutes 1978, Section 471.616, Subdivision 1; Section 60A.23, by adding a subdivision; and Chapter 471, by adding a section; repealing Minnesota Statutes, 1979 Supplement, Section 471.61, Subdivision 1b.

Referred to the Committee on Finance.

H. F. No. 262: A bill for an act relating to local government; permitting self insurance for local governments; authorizing insurance pooling; amending Minnesota Statutes 1978, Sections 60A.-02, Subdivisions 3 and 4; 79.01, Subdivisions 2 and 3; and Chapter 471, by adding sections.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 403 now in the Subcommittee on Bill Scheduling.

H. F. No. 1662: A bill for an act relating to state government; providing for a demonstration job-sharing project in state government; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1629 now on General Orders.

H. F. No. 1443: A bill for an act relating to transportation; providing for a transportation board; providing for transfer of certain duties, powers and functions of the public service commission and the commissioner of transportation to the transportation regulation board; regulating railroads and other common carriers of persons or property for hire; providing penalties; appropriating

funds; amending Minnesota Statutes 1978, Sections 174.02, Subdivision 4; 174.03, Subdivision 2; 174.10, Subdivisions 1, 3, 4; 218.011, Subdivision 7; 218.021; 218.025; 218.031, Subdivisions 1, 6, 8, 10; 218.041; 218.071; 219.03; 219.14; 219.23; 219.24; 219.25; 219.27; 219.28; 219.383; 219.39; 219.40; 219.41; 219.42; 219.43; 219.46, Subdivision 7; 219.47; 219.51; 219.52; 219.54; 219.55; 219.562, Subdivision 3; 219.65; 219.681; 219.70; 219.71; 219.741; 219.85; 219.86; 219.87; 221.011, Subdivisions 2b, 15; 221.021; 221.031, Subdivision 1; 221.041; 221.051; 221.061; 221.071; 221.081; 221.101; 221.121; 221.131; 221.141, Subdivision 2; 221.151; 221.161; 221.171; 221.181; 221.221; 221.261; 221.271; 221.281; 221.291, Subdivision 1; 221.293; 221.295; 221.296, Subdivisions 2, 3, 4, 8; 221.55; 221.68; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 1; and 221.011, Subdivision 22; repealing Minnesota Statutes 1978, Section 219.742.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1457 now on General Orders.

H. F. No. 2268: A bill for an act relating to financial institutions; authorizing examinations of certain bank holding companies; providing for the institution of cease and desist proceedings and the issuance of temporary orders; amending Minnesota Statutes 1978, Section 46.24; and Minnesota Statutes, 1979 Supplement, Section 46.04.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2161 now on General Orders.

H. F. No. 2429: A bill for an act relating to usury; changing the penalty for usurious loans made by state banks and savings banks; amending Minnesota Statutes 1978, Sections 334.02; 334.03; and Chapter 48, by adding a section.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1562 now on General Orders.

H. F. No. 1047: A bill for an act relating to county and county regional jails; providing for establishment and use of county jails and county regional jails and the financing thereof by county contributions and bonds and municipal revenue bonds and leases; amending Minnesota Statutes 1978, Sections 385.18, Subdivision 3; 474.01, Subdivisions 7a and 8, and by adding a subdivision; 474.02, by adding a subdivision; 641.23; 641.24; 641.262, Subdivision 1; 641.263, Subdivision 2; 641.264, Subdivision 1; 641.265; and 642.04.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 376 now in the Subcommittee on Bill Scheduling.

H. F. No. 1710: A bill for an act relating to energy; stating legislative energy policy; providing grants and assistance for community energy planning; assessment of fees for residential energy audits; providing grants for residential heating costs and weatherization; providing guidelines for a state plan for spending federal

money; reimbursing counties for heating emergency assistance expenses; defining large energy facilities; authorizing subdivisions to levy for certain energy related activities; providing grants for energy research and development projects; providing education on building energy efficiency; energy audits; ethanol plant demonstration project; creating the alcohol fuels information center; directing the public service commission to establish a pilot project allowing utilities to make conservation investments for customers; appropriating money; amending Minnesota Statutes 1978, Sections 116H.01; 116H.087; 116H.12, Subdivision 11; 216B.16, by adding a subdivision; 275.50, by adding a subdivision; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; Chapter 216B, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 116H.02, Subdivision 5; 116H.085; 116H.13, Subdivisions 3 and 7; 116H.22; and 268.37; repealing Minnesota Statutes 1978, Sections 116H.125; and 325.986, Subdivisions 1 and 2.

Referred to the Committee on Finance.

#### REPORTS OF COMMITTEES

Mr. Hanson moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 2085: A bill for an act relating to public employees; creating a state department of employee relations; establishing appropriate units for state employees; providing for a right to strike; providing for interim contract approval by the legislative commission on employee relations; clarifying civil service laws; providing for health benefits; providing for a study of promotional systems; repealing the duty of the revisor of statutes regarding certain collective bargaining agreements; appropriating money; amending Minnesota Statutes 1978, Sections 43.001; 43.01, Subdivision 8; 43.05, by adding a subdivision; 43.111; 43.245; 43.321; 43.45; 43.46; 179.63, Subdivision 8; 179.64, Subdivisions 2, 3, 4, and 5, and by adding a subdivision; 179.67, Subdivision 4; 179.69, Subdivisions 1 and 3; 179.71, Subdivisions 3 and 5; 179.72, Subdivision 6; 179.74, Subdivision 3; and Chapters 43 and 179, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 3.855; 43.05, Subdivision 2; 43.067, Subdivision 1; 43.19, Subdivision 1; 43.50, Subdivision 1; 62D.22, Subdivision 7; 179.63, Subdivision 11; 179.65, Subdivision 6; and 179.74, Subdivisions 4 and 5; and Laws 1979, Chapter 332, Article I, Sections 114 and 116; repealing Minnesota Statutes 1978, Sections 43.003; 43.50, Subdivision 3; 179.64, Subdivision 1; 179.69, Subdivisions 4, 5, and 6; and 482.18; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 5; 179.64, Subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 33, insert:

**"ARTICLE I"**

Page 6, line 10, delete "*commissioner*" and insert "*commissioners*"

Page 6, line 10, delete "*division*" and insert "*divisions*"

Page 6, line 11, after "*personnel*" insert "*and labor relations*"

Page 6, line 13, delete everything after the period

Page 6, delete line 14

Page 6, line 15, delete "*at the pleasure of the governor.*"

Page 18, line 11, delete "*given the option of*"

Page 18, delete line 12

Page 18, line 13, delete "*standard negotiated packages or being*"

Page 18, line 26, delete "*given the option of using the difference*"

Page 18, delete line 27

Page 18, line 28, delete "*packages or being*"

Page 21, line 32, delete "*full*"

Page 21, delete line 33

Page 22, delete lines 1 to 3 and insert "*salaried employees of a fire department whose duties involve directly or indirectly controlling, extinguishing, preventing, detecting or investigating fires.*"

Page 25, line 33, after "*permitted.*" insert "*For state employees a supervisory employee organization that is affiliated, either directly or indirectly, with another employee organization that has among its members non-supervisory employees, or with a federation or other joint body of employee organizations any one of whose affiliates has among its members non-supervisory employees shall not be certified as or act as an exclusive representative pursuant to sections 179.61 to 179.76 or section 36.*"

Page 36, line 9, delete "*15*" and insert "*16*"

Page 37, after line 32, insert:

*"(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. . . . ."*

Page 37, line 33, delete "*(15)*" and insert "*(16)*"

Page 44, line 10, strike "*43.064;*"

Page 45, line 13, delete "*act*" and insert "*article*"

Page 45, after line 15, insert:

## "ARTICLE II

Section 1. Minnesota Statutes, 1979 Supplement, 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 ~~personnel board~~ *chief justice of the supreme court* has been consulted in advance and ~~its~~ *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 ~~personnel board~~ *chief justice of the supreme court*.

	Salary or Range	
	Effective July 1, 1979	Effective July 1, 1980
Public defender	\$37,500	\$40,000
District administrator	27,000-37,500	28,500-40,000
County attorneys council executive director	22,000-32,000	23,500-34,000
Board on judicial standards executive director	36,000	38,000
State court administrator	44,500	47,000

Sec. 2. Minnesota Statutes 1978, Section 43.005, is amended by adding a subdivision to read:

*Subd. 1a. Notwithstanding the provisions of subdivision 1, the personnel board is hereby abolished. Its duties and functions are transferred as provided for in sections 1 to 15. All employees of the board shall be reassigned to the department of personnel without loss of seniority, salary, benefits or other rights.*

Sec. 3. Minnesota Statutes 1978, Section 43.05, Subdivision 2, is amended to read:

Subd. 2. [SPECIFIED DUTIES.] The commissioner shall:

(1) Attend all meetings of the board;

(2) (1) Promulgate personnel rules for the purpose of carrying out the provisions of this chapter; these rules shall provide, among other things, for current records of efficiency, and standards of performance, for all employees subject to the provisions of this chapter; the manner of completing appointments and promotions; rejection of eligible candidates; examinations; retention of examination records under the provisions of section 138.163; creation of

eligible lists, with successful candidates ranked according to their ratings in the examinations; leaves of absence with and without pay; transfers, reinstatements, layoffs, vacations, and hours of work; public notice of examinations; procedure for changes in rates of pay; compulsory retirement at fixed ages; and other conditions of employment. If a rule is made concerning sick leave for illness in the immediate family of an employee, the term "immediate family" shall be limited to the spouse, minor or dependent children, or parent where the parent has no other person to provide the necessary nursing care, living in the household of the employee;

~~(3)~~(2) Operate an information system from which data can be retrieved concerning employees in agencies under his jurisdiction showing their employment histories including the date of appointment, demotion, reinstatement, increases or decreases in pay, the compensation and title of the position, changes in title, transfers, and separations from the service; and the commissioner shall have access to all public and private personnel data kept by an appointing authority, the examination of which will aid in the discharge of his duties;

~~(4)~~(3) Prepare, in accordance with the provisions of this chapter and the rules adopted hereunder, examinations, eligible lists, and ratings of candidates for appointment;

~~(5)~~(4) Make certifications for appointment within the classified service, in accordance with the provisions of this chapter;

~~(6)~~(5) Make investigations concerning all matters touching the enforcement and effect of the provisions of this chapter and the personnel rules prescribed hereunder;

~~(7)~~(6) Discharge such duties as are imposed upon him by this chapter;

~~(8)~~(7) Establish, publish and continually review logical career paths in the classified civil service;

~~(9)~~(8) Consider all requests for other than state appropriated funds from any state department or agency for personnel purposes all of which shall be submitted to him for comment before any such request is made of a federal, local, or private agency; and

~~(10)~~(9) Prepare rules regulating the temporary designation of positions in the unclassified civil service;

~~(11)~~(10) Review, establish or change titles for the positions in the unclassified civil service in the executive branch of state government except those established by law or by the constitution, to make titles descriptive of positions and consistent throughout the state service; and

~~(12)~~(11) In conformance with the rule making provisions of chapter 15, promulgate a code of ethics establishing standards of conduct to be observed by state employees in the performance of their official duties.

Sec. 4. Minnesota Statutes 1978, Section 43.062, Subdivision 1, is amended to read:

43.062 [SALARY SETTING AUTHORITY.] Subdivision 1. [SALARY LISTING.] The *commissioner of personnel board* shall, on or before ~~November~~ *15 December* 1 of each even numbered year, submit to the ~~commissioner of personnel~~ *governor* a listing of salaries for the positions listed in sections 15A.081 and 15A.083 and for members of the legislature. The ~~board~~ *commissioner* may also recommend adding or deleting of positions from this list.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 43.062, Subdivision 3, is amended to read:

Subd. 3. [BASE SALARIES.] Except for positions for which salary ranges have been established, the salary listing shall contain a specific salary for each position defined in subdivision 1.

The ~~board~~ *commissioner* shall determine only a fixed salary for the positions of the constitutional officers, executive secretary of the board of investment, the judge of the workers' compensation court of appeals and the commissioner of public service.

Sec. 6. Minnesota Statutes 1978, Section 43.065, is amended to read:

43.065 [SALARY REVIEW.] Subdivision 1. [SALARIES TO BE EQUITABLE.] When determining or recommending salaries for any position, the ~~personnel board and the commissioner of personnel~~ shall assure that:

(1) Salaries in the classified and unclassified service bear equitable relationship to one another;

(2) Salaries among the various positions listed in section 15A.081, bear equitable relationships to one another; and

(3) Salaries for state positions bear equitable relationships to salaries for similar positions outside state service.

Salaries bear equitable relationships to one another within the meaning of this section if salaries for positions which require comparable knowledge, abilities, duties, responsibilities and accountabilities are comparable and if salaries for positions which require differing knowledge, abilities, duties, responsibilities and accountabilities are directly proportional to the knowledge, abilities, duties, and responsibilities required.

Subd. 2. [METHOD OF REVIEW.] In recommending the salary listing described in section 15A.081, the ~~board~~ *commissioner* shall consider only those criteria established by subdivision 1 and shall not take into account personal performance of individual incumbents. The ~~board~~ *commissioner* shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities and accountabilities and in determining salary listings rate each position according to this system.

Subd. 3. [INFORMATION, CONSULTANTS.] Each depart-

ment shall furnish the *board commissioner* with any information which the *board commissioner* may request to aid in the performance of its duties. Subject to appropriations, the *board commissioner* may engage expert consultants.

Sec. 7. Minnesota Statutes 1978, Section 43.067, Subdivision 2, is amended to read:

Subd. 2. [DISCRETIONARY EXEMPTIONS.] The *personnel board commissioner* may grant exemptions from the provisions of subdivision 1 in the case of individual persons. A salary increase authorized by other law by reason of seniority or cost of living adjustments shall not be sufficient reason to grant an exemption. The *board commissioner* may grant an exemption upon application of the appointing authority, but only if the *board commissioner* determines that the position requires special expertise necessitating a higher salary in order to attract or retain qualified persons. In no event may a salary exempted pursuant to this subdivision exceed 120 percent of the base salary of the position in respect to which the exemption was requested.

Sec. 8. Minnesota Statutes 1978, Section 43.068, is amended to read:

43.068 [GOVERNOR MAY FIX CERTAIN SALARIES.] The initial salary of a department head and any deputy of a department head occupying a position in the unclassified service hereafter established whose salary is not specifically prescribed by law shall be fixed by the governor, after consultation with the *personnel board commissioner*, whose recommendation shall be advisory only, in an amount comparable to the salary of a department head or a deputy of a department head having similar duties and responsibilities.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 43.09, Subdivision 2a, is amended to read:

Subd. 2a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Notwithstanding any other law to the contrary, the *personnel board commissioner*, upon the request of the governor, is hereby authorized to establish permanent unclassified positions, or to unclassify previously classified positions, provided that:

(1) Positions so established involve only deputy or assistant heads of departments or agencies, or director level positions which are not specifically established by law, and who are appointed by and report directly to a head of a department or agency who is required by law to be appointed by the governor, or by a gubernatorially appointed board; as well as one position for a personal secretary of any head of a department or agency listed in clause (4).

(2) Classified incumbents of such *the* positions, if any, are not removed from that position for a period of one year except under applicable provisions of rules and laws governing classified state employees. An incumbent of a position that is declassified pur-

suant to this subdivision, if he so requests within 120 days after being removed from that position, shall be appointed to a classified position comparable to the position that was declassified, or if such a position is unavailable, to a position comparable to that which he held immediately prior to being appointed to the position that was declassified. If a position is declassified and the incumbent at the time the position was declassified had no classified status immediately prior to the appointment to the position that was declassified, he shall, if he so requests within 120 days after being removed from that position, be appointed to a comparable or lower classified position within two salary ranges of the position that was declassified.

(3) If an employee in the classified civil service accepts a newly created unclassified position, he shall retain an inactive classified civil service status and, upon his request, shall be reappointed to a classified position comparable to that which he held immediately prior to being appointed to the unclassified position.

(4) Positions so established are limited in number to six in the departments of administration, corrections, economic security, finance, transportation, natural resources, public safety, public welfare, and revenue; to five in the departments of commerce, education, health, labor and industry, personnel and the housing finance agency; to four in the departments of agriculture, and economic development; to three in the department of public service, the planning agency, and the pollution control agency; and to two in the departments of human rights, the crime control planning board and veterans affairs. Departments or agencies not enumerated in this clause shall not be authorized to establish additional unclassified positions under the provisions of this subdivision.

(5) Funds are available.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 43.24, is amended to read:

43.24 [REMOVAL.] Subdivision 1. [WRITTEN STATEMENT.] No permanent employee in the classified service, under the provisions of this chapter or the rules made pursuant thereto, shall be removed, discharged, suspended without pay for more than 30 days, or reduced in pay or position, except for just cause. In case of any disciplinary action, as enumerated in this section, the employee shall, before the action is taken, be furnished with a statement, in writing, setting forth the reasons for the disciplinary action, be permitted five days time to reply thereto, in writing, or upon his request, to appear personally and reply to the head of the department. A copy of the statement and the employee's reply, if any, shall be filed with the commissioner prior to the effective date thereof. Any permanent employee in the classified service who is removed, discharged, suspended without pay for more than 30 days, or reduced in pay or position, shall be notified no later than the effective date of the action of his right to appeal the action to the *board chief hearing examiner of the state office of administra-*

*tive hearings who shall assign a hearing examiner to hear the matter.*

Subd. 1a. [JUST CAUSE.] For the purposes of this section, "just cause" includes, but is not limited to, consistent failure to perform assigned duties, substandard performance, insubordination, and serious violation of written policies and procedures, provided the policies and procedures are applied in a uniform, non-discriminatory manner. "Just cause" excludes the religious beliefs, political beliefs, race, sex, disability status and age of the employee, subject however to mandatory retirement ages specified by law and excludes discharge for mere whim or caprice.

Subd. 2. [APPEAL TO BOARD; PUBLIC HEARINGS, FINDINGS, HEARING CONFERENCE.] Any permanent employee who is removed, discharged, suspended without pay for more than 30 days, or reduced in pay or position and who has not elected to proceed pursuant to a grievance procedure, if *such the* procedure is available, pursuant to sections 179.61 to 179.77, may appeal to the *board chief hearing examiner of the state office of administrative hearings who shall assign a hearing examiner to hear the matter* within 30 days after the effective date of *such the* removal, discharge, suspension or reduction in pay or position. In no event may an employee avail himself of both the procedure under this section and the grievance procedure under sections 179.61 to 179.77. Upon *such* appeal, both the appealing employee and the appointing authority or their representatives shall meet with the hearing officer, at a place and on *such a* date as set by him for the purpose of determining the facts at issue. Prior to the hearing conference, both parties may stipulate on mutually agreed matters relevant to the dismissal or other disciplinary action referred to in this subdivision. If the hearing officer is successful in reaching a mutually agreed settlement between both parties, such agreement shall be certified to the *board chief hearing examiner*, with copies furnished to both parties, and *such the* agreement, if approved by the *board chief hearing examiner*, shall become binding on both parties. The hearing conference shall be conducted in such manner and follow such procedures as prescribed by the *board contested case provisions of chapter 15*. The issues and facts on which agreement has not been reached will be decided during the hearing at which hearing technical rules of evidence shall not apply. If the *board hearing examiner* finds that the action complained of was not taken by the appointing authority for just cause, the employee shall be reinstated to his position, or an equal position in another department or division, without loss of pay. If the *board hearing examiner* finds that there exist sufficient grounds for institution of dismissal but extenuating circumstances are brought out in testimony and evidence, *it he* may in *its his* discretion reinstate the employee, with full, partial, or no pay, or it may modify the appointing authority's action by substituting a lesser disciplinary action. The hearing officer shall recommend to the *board chief hearing examiner* an appropriate disposition of the case. If no exceptions are made, the hearing officer's recommended disposition shall, at the option of the *board chief hearing examiner*, become final. If exceptions are taken, the *board chief hearing*

*examiner*, upon a review of the record, may accept the officer's recommendations with or without additional oral or written evidence from the parties, may remand the case to the officer for further hearing, adopt the hearing officer's report with any changes warranted by the record, or issue its own report of findings and orders. In those cases in which the *board chief hearing examiner* finds just cause for dismissal, the findings and recommendations of the board shall be submitted to and considered by the appointing authority, who may, not later than 30 days after receipt of such the findings and recommendations, reinstate the employee with or without pay for the period of suspension, or otherwise modify his original decision of suspension, demotion, or discharge. When any permanent employee is dismissed and not reinstated after appeal, the *board chief hearing examiner* may direct that his name be placed on an appropriate reemployment list, for employment in any similar position other than the one from which he has been removed, which direction shall be enforced by the commissioner. *If the chief hearing examiner supports the agency decision, or if the agency refuses to accept the chief hearing examiner's recommendations, the employee may appeal as though from a contested case decision pursuant to chapter 15.*

Subd. 3. [REQUEST FOR WRITTEN STATEMENT.] When any such permanent employee shall be suspended without pay, he shall, within 30 days time after being notified of such disciplinary action, be furnished with a statement in writing specifically setting forth the reasons for the disciplinary action, and a copy of such statement shall then also be filed with the commissioner.

Sec. 11. Minnesota Statutes 1978, Section 43.323, Subdivision 1, is amended to read:

43.323 [PERSONNEL RULE; PROCEDURE.] Subdivision 1. When so authorized by law, the commissioner of personnel shall issue, in conformance with the requirements of chapter 15, personnel rules, or changes thereof, and shall submit such proposed rules, or changes to existing rules, to the personnel board, for its opinion which shall be advisory only.

Within three weeks after receipt of such proposed rules or changes to existing rules, the personnel board shall file its opinion on the proposed rule or rule change with the commissioner.

After receipt of the board's advisory opinion on the proposed rule or change of rule, the commissioner shall within seven days promulgate or withdraw the proposed rule or proposed change of rule. A provision of an agreement entered into by the commissioner pursuant to section 179.74, subdivision 5 shall supersede the provisions of any rule or portion thereof which is inconsistent therewith.

Sec. 12. Minnesota Statutes 1978, Section 43.35, is amended to read:

43.35 [VIOLATIONS; PENALTIES.] Any personnel board member, The commissioner, or an examiner or any other person,

(1) who wilfully or corruptly, by himself or in cooperation with one or more persons, defeats, deceives, or obstructs any person with respect to his rights of examination or application according to this chapter, or to any rules or regulations prescribed pursuant thereto, or

(2) who wilfully or corruptly falsely marks, grades, estimates, or reports upon the examination or proper standing of any person examined, registered, certified, employed, or promoted pursuant to the provisions of these sections, or aids in so doing, or who wilfully destroys any examination questions, answers, or records thereon of any applicant for civil service within a period of one year after any examination has been completed, or

(3) who wilfully or corruptly makes or files any false representations concerning the persons examined, registered, certified, appointed, employed, or promoted, or

(4) who wilfully or corruptly furnishes any person with any special or secret information for the purpose of either improving or injuring the prospects or chances of any person so examined, registered, or certified, being appointed, employed, or promoted, or

(5) who personates any other person, or permits or aids in any manner any other person to personate him in connection with any examination or registration, or application or request to be examined or registered, or

(6) who wilfully or corruptly shall appoint to a position in the classified service, or dismisses, suspends, reduces in rank or pay any officer or employee from any position in the classified service otherwise than in compliance with, and in conformity to, the provisions of this chapter and the rules and regulations of the commissioner of personnel adopted pursuant thereto, or

(7) who wilfully or corruptly refuses or neglects otherwise to comply with, or conform to, the provisions of this chapter and the rules and regulations made pursuant thereto, or violates any of these provisions, shall be deemed guilty of a misdemeanor and punished accordingly.

Any conviction under this section shall render the public officer or position held by the person so convicted vacant, and such person shall be ineligible to hold public office for a period of five years from the date of the conviction.

Sec. 13. Minnesota Statutes 1978, Section 246.014, is amended to read:

246.014 [SERVICES.] The measure of services established and prescribed by section 246.012, are:

(1) There shall be served in state hospitals a single standard of food for patients and employees alike, which is nutritious and palatable together with special diets as prescribed by the medical staff thereof. There shall be a chief dietitian in the department of public welfare and at least one dietitian at each state hospital.

There shall be adequate staff and equipment for processing, preparation, distribution and serving of food.

(2) There shall be a staff of persons, professional and lay, sufficient in number, trained in the diagnosis, care and treatment of the mentally ill, physical illness, and including religious and spiritual counsel through qualified chaplains (who shall be in the unclassified service) adequate to take advantage of and put into practice modern methods of psychiatry, medicine and related field.

(3) There shall be a staff and facilities to provide occupational and recreational therapy, entertainment and other creative activities as are consistent with modern methods of treatment and well being.

(4) There shall be in each state hospital for the care and treatment of the mentally ill facilities for the segregation and treatment of patients who have communicable disease.

(5) The commissioner of public welfare shall provide modern and adequate psychiatric social case work service.

(6) The commissioner of public welfare shall make every effort to improve the accommodations for patients so that the same shall be comfortable and attractive with adequate furnishings, clothing, and supplies.

(7) The commissioner of public welfare shall establish training programs for the training of personnel and may require the participation of personnel in such programs. Within the limits of the appropriations available he may establish professional training programs in the forms of educational stipends for positions for which there is a scarcity of applicants.

(8) There shall be a separate hospital for the diagnosis, care and treatment of the mentally ill who have tuberculosis which shall conform to the standards established for the diagnosis, care and treatment of physical disease. Pending construction of such separate hospital, one of the present state hospitals, or so much thereof as may be necessary, shall be set apart for the diagnosis, care and treatment of the mentally ill who have tuberculosis and shall be staffed and equipped to meet the accepted requirements of modern medicine for the care and treatment of persons afflicted with tuberculosis.

(9) The standards herein established shall be adapted and applied to the diagnosis, care and treatment of inebriate persons and mentally deficient persons who come within those terms as defined in the laws relating to the hospitalization and commitment of such persons, and of persons who are psychopathic personalities within the definition thereof in Minnesota Statutes 1945, Section 526.09.

(10) The commissioner of public welfare shall establish a program of detection, diagnosis and treatment of mentally or nervously ill persons and persons described in paragraph (9), and within the limits of appropriations may establish clinics and staff the

same with persons specially trained in psychiatry and related fields.

(11) The commissioner of personnel and the personnel board may reclassify employees of the mental institutions from time to time, and assign classifications to such salary brackets as will adequately compensate personnel and reasonably assure a continuity of adequate staff.

(12) In addition to the chaplaincy services, provided in (2), the commissioner of public welfare shall open said institutions to ministers of the Gospel to the end that religious and spiritual counsel and services are made available to the patients therein, and shall cooperate with all ministers of the Gospel in making said patients available for religious and spiritual counsel, and shall provide such ministers of the Gospel with meals and accommodations.

(13) Within the limits of the appropriations therefor, the commissioner of public welfare shall establish and provide facilities and equipment for research and study in the field of modern hospital management, the causes of mental and related illness and the treatment, diagnosis and care of the mentally ill and funds provided therefor may be used to make available services, abilities and advice of leaders in these and related field, and may provide them with meals and accommodations and compensate them for traveling expenses and services.

Sec. 14. Minnesota Statutes 1978, Section 352.01, Subdivision 2B, is amended to read:

Subd. 2B. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of state employee:

(1) Elective state officers;

(2) Students employed by the university of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board or the state board for community colleges, as the case may be;

(3) Employees who are eligible to membership in the state teachers retirement association except employees of the department of education who have elected or may elect to be covered by the Minnesota state retirement system instead of the teachers retirement association;

(4) Employees of the university of Minnesota who are excluded from coverage by action of the board of regents;

(5) Officers and enlisted men in the national guard and the naval militia and such as are assigned to permanent peacetime duty who pursuant to federal law are or are required to be members of a federal retirement system;

(6) Election officers;

(7) Persons engaged in public work for the state but employed by contractors when the performance of such contract is authorized by the legislature or other competent authority;

(8) Officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) All courts and all employees thereof, referees, receivers, jurors, and notaries public, except employees of the supreme court and referees and adjusters employed by the department of labor and industry;

(10) Patient and inmate help in state charitable, penal and correctional institutions including the Minnesota veterans home;

(11) Persons employed for professional services where such service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) Employees of the Sibley House Association;

(13) Employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) Operators and drivers employed pursuant to section 16.07, subdivision 4;

(15) ~~Members of the personnel board,~~ and The members of any ~~other~~ state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of such boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless he is also its full time secretary;

(16) State highway patrolmen;

(17) Temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of the same year; also persons employed at any time or times by the state fair administration for special events held on the fairgrounds;

(18) Emergency employees in the classified service except emergency employees who within the same pay period become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the beginning of the pay period;

(19) Persons described in section 352B.01, subdivision 2, clauses (b) and (c) formerly defined as state police officers;

(20) All temporary employees in the classified service, all temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one year period and all seasonal help in the unclassified service employed by the department of revenue;

(21) Trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2A(10);

(22) Persons whose compensation is paid on a fee basis;

(23) State employees who in any year have credit for 12 months service as teachers in the public schools of the state and as such teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) Employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) Chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) Labor service employees employed as a laborer 1 on an hourly basis;

(27) Examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;

(28) Members of appeal tribunals, exclusive of the chairman to which reference is made in section 268.10, subdivision 4;

(29) Persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179;

(30) Temporary employees employed for limited periods of time under any state or federal program for the purpose of training or rehabilitation including persons employed thereunder for limited periods of time from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) Full time students employed by the Minnesota historical society who are employed intermittently during part of the year and full time during the summer months;

(32) Temporary employees, appointed for not more than six months, of the Metropolitan council and of any of its statutory boards, the members of which board are appointed by the metropolitan council;

(33) Persons employed in positions designated by the department of personnel as student workers;

(34) Any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless such employee gives notice to the director within 60 days following his appointment that he desires coverage;

(35) Tradesmen employed by the metropolitan waste control commission with trade union pension plan coverage pursuant to a collective bargaining agreement first employed after June 1, 1977; and

(36) Persons employed in subsidized on-the-job training, work experience or public service employment as enrollees under the

federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive employment and training act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution.

Sec. 15. [REPEALER.] *Minnesota Statutes 1978, Sections 43.01, Subdivision 7; 43.03; 43.06; 43.062, Subdivision 2; 43.07; and 43.324, Subdivision 2, are repealed.*

Sec. 16. [EFFECTIVE DATE.] *This article is effective July 1, 1980.*"

Amend the title as follows:

Page 1, line 11, after the semicolon insert "abolishing the personnel board and transferring the duties thereof;"

Page 1, line 13, after "43.001;" insert "43.005, by adding a subdivision;"

Page 1, line 13, after "43.05," insert "Subdivision 2, and"

Page 1, line 14, before "43.111" insert "43.062, Subdivision 1; 43.065; 43.067, Subdivision 2; 43.068;"

Page 1, line 14, after "43.321;" insert "43.323, Subdivision 1; 43.35;"

Page 1, line 19, before "and" insert "246.014; 352.01, Subdivision 2B;"

Page 1, line 21, after "3.855;" insert "15A.083, Subdivision 4;"

Page 1, line 21, after "2;" insert "43.062, Subdivision 3;"

Page 1, line 22, after the first semicolon, insert "43.09, Subdivision 2a;"

Page 1, line 22, after the second semicolon, insert "43.24;"

Page 1, line 28, after "43.003;" insert "43.01, Subdivision 7; 43.03; 43.06; 43.062, Subdivision 2; 43.07; 43.324, Subdivision 2;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2181: A bill for an act relating to taxation; sales; exempting sales of road building materials; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1; repealing Minnesota Statutes 1978, Section 297A.25, Subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, lines 21 and 22, reinstate the stricken language

Page 5, lines 28 and 29, delete the new language

Page 8, after line 32, insert:

*"(y) The gross receipts from the sale of and the storage, use or consumption of road building materials intended for use in road construction by contractors employed by or performing under contract for the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1731 and 1765 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1731	1753				
1765	1876				

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1838 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1838	2047				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1818 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1818	1785				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1818 be amended as follows:

Page 2, delete lines 9 to 33

Amend the title as follows:

Page 1, lines 4 and 5, delete "granting preference to landowners in obtaining moose licenses;"

Page 1, lines 6 to 8, delete "; and Minnesota Statutes, 1979 Supplement, Section 100.271, Subdivision 1"

And when so amended H. F. No. 1818 will be identical to S. F. No. 1785, and further recommends that H. F. No. 1818 be given its second reading and substituted for S. F. No. 1785, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 1768 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1768	1134				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1768 be amended as follows:

Page 2, lines 1 and 2, delete "*after viewing the land, in the judgment of the fence viewers,*" and insert "*in the judgment of the fence viewers after viewing the land,*"

Page 2, delete lines 7 to 20

Amend the title as follows:

Page 1, line 8, delete "sections" and insert "a section"

And when so amended H. F. No. 1768 will be identical to S. F. No. 1134, and further recommends that H. F. No. 1768 be given

its second reading and substituted for S. F. No. 1134, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 2085 and 2181 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 1731, 1765, 1838, 1818 and 1768 were read the second time.

#### MOTIONS AND RESOLUTIONS

Mr. Rued moved that the name of Mrs. Knaak be added as co-author to S. F. No. 1873. The motion prevailed.

Mr. Sikorski moved that the name of Mr. Solon be added as co-author to S. F. No. 2414. The motion prevailed.

#### CONFIRMATION

Mr. Davies moved that the report from the Committee on Judiciary, reported March 25, 1980, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Davies moved that the foregoing report be now adopted. The motion prevailed.

Mr. Davies moved that in accordance with the report from the Committee on Judiciary, reported March 25, 1980, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### CRIME VICTIMS REPARATIONS BOARD

Dr. Johanna B. Miller, 2909 Drew Avenue South, Minneapolis, Hennepin County, effective January 7, 1980, for a term expiring the first Monday in January, 1984.

The motion prevailed. So the appointment was confirmed.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Kleinbaum introduced—

Senate Resolution No. 61: A Senate resolution congratulating St. Cloud Technical High School on being the runner-up champion in the Class AA state high school boys' basketball tournament.

Referred to the Committee on Rules and Administration.

Mr. Chmielewski introduced—

Senate Resolution No. 62: A Senate resolution congratulating the Moose Lake High School Lakers girls' basketball team on participating in the Class A state high school girls' basketball tournament.

Referred to the Committee on Rules and Administration.

Mr. Stern introduced—

Senate Resolution No. 63: A Senate resolution congratulating the Saint Louis Park High School Orioles boys' basketball team on winning third place in the Class AA state high school boys' basketball tournament.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Calendar. The motion prevailed.

#### CALENDAR

H. F. No. 1824: A bill for an act relating to driver's licenses; providing for the disposition of the county fee in Dakota County.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearly	Laufenburger	Penny	Solon
Ashbach	Gunderson	Lessard	Perpich	Spear
Bang	Hanson	Luther	Peterson	Stern
Barrette	Hughes	McCutcheon	Pillsbury	Stokowski
Benedict	Humphrey	Menning	Purfeerst	Strand
Bernhagen	Jensen	Merriam	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Ueland, A.
Coleman	Keefe, J.	Nelson	Schaaf	Ulland, J.
Davies	Keefe, S.	Nichols	Schmitz	Vega
Dieterich	Kirchner	Ogdahl	Setzepfandt	Wegener
Dunn	Knaak	Olhoft	Sieloff	Willet
Engler	Knoll	Olson	Sikorski	
Frederick	Knutson	Omann	Sillers	

So the bill passed and its title was agreed to.

#### CONSENT CALENDAR

S. F. No. 1978: A bill for an act relating to veterans; authorizing a memorial to Minnesota's war dead in Arlington National Cemetery; appropriating money.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Benedict	Davies	Frederick	Hughes
Ashbach	Bernhagen	Dieterich	Gearly	Humphrey
Bang	Chmielewski	Dunn	Gunderson	Jensen
Barrette	Coleman	Engler	Hanson	Johnson

Keefe, J.	McCutcheon	Omamm	Schmitz	Strand
Keefe, S.	Menning	Penny	Setzepfandt	Stumpf
Kirchner	Merriam	Perpich	Sieloff	Tennessee
Kleinbaum	Moe	Peterson	Sikorski	Ueland, A.
Knaak	Nelson	Pillsbury	Sillers	Ulland, J.
Knutson	Nichols	Purfeerst	Solon	Vega
Laufenburger	Ogdahl	Renneke	Staples	Wegener
Lessard	Olhoft	Rued	Stern	Willet
Luther	Olson	Schaaf	Stokowski	

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 1984, 2244, 2113, 2263, 1835 and H. F. Nos. 2152, 753, 1987, 1723, 2314, 1884, which the committee recommends to pass.

S. F. No. 1795, which the committee recommends be returned to its author.

S. F. No. 1695, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 1698, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 1607, which the committee recommends be re-referred to the Committee on Governmental Operations.

H. F. No. 1814, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1978, Section 273.111, Subdivision 3, is amended to read:

Subd. 3. Real estate consisting of ten acres or more shall be entitled to valuation and tax deferment under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 and either (1) is the homestead ~~or thereafter becomes the homestead~~ of the owner, or of a surviving spouse, child, or sibling of the said owner or is real estate which is farmed with the real estate which contains the homestead property, or (2) has been in possession of the applicant, his spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of Laws 1969, Chapter 1039, or (3) is the homestead of a shareholder in a fam-

ily farm corporation as defined in section 500.24 , notwithstanding the fact that legal title to the real estate may be held in the name of the family farm corporation. "Family farm corporation" for the purpose of this subdivision means a corporation founded for the purpose of farming and owning agricultural land, in which all of the stockholders are members of a family related to each other within the third degree of kindred according to the rules of civil law."

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, after the semicolon insert "altering the definition of family farm corporation for the purpose of the Minnesota agricultural property tax law;"

Page 1, line 4, delete "Section" and insert "Sections 273.111, Subdivision 3; and"

The motion prevailed. So the amendment was adopted.

H. F. No. 2082, which the committee recommends to pass with the following amendments offered by Messrs. Schaaf and Keefe, S.;

Mr. Schaaf moved to amend H. F. No. 2082, as amended pursuant to Rule 49, adopted by the Senate March 21, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2138.)

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1978, Section 205.17, is amended by adding a subdivision to read:

*Subd. 6. In statutory cities, the names of candidates to fill vacancies at any special election held as provided in section 4 shall be placed on the city primary and regular election ballots. The names of candidates to fill a vacancy in the office of councilman in a statutory city shall be listed under the separate heading "Special election for councilman to fill vacancy in term expiring . . . . .", with the date of expiration of the term and any other information as may be necessary to distinguish the office. Under the heading for the office of mayor in a special election shall be the words "To fill vacancy in term expiring . . . . .".*

Page 2, line 27, before the comma, insert "and more than two years remain in the unexpired term"

Page 2, line 31, after "occurs" insert "on or"

Page 2, line 33, before the comma, insert "or when less than two years remain in the unexpired term"

Page 3, line 1, delete everything before the comma, and insert "to fill the vacancy"

Page 3, line 3, delete "the second ensuing" and insert "a"

Page 3, line 4, delete everything after the period

Page 3, delete lines 5 to 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "205.17, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S. moved to amend H. F. No. 2082, as amended pursuant to Rule 49, adopted by the Senate March 21, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2138.)

Page 1, after line 8, insert:

## "ARTICLE I GENERAL PROVISIONS

Section 1. Minnesota Statutes 1978, Section 200.01, is amended to read:

200.01 [CITATION, MINNESOTA ELECTION LAW.] *Articles III to VI and chapters 200 to 211 are, 201, 202A, 205, 206, 208, 209 and 210A shall be known as the Minnesota election law; and the words used in the Minnesota election law have the meanings prescribed in section 200.02.*

Sec. 2. Minnesota Statutes 1978, Chapter 200, is amended by adding a section to read:

[200.015] [SCHOOL DISTRICT ELECTIONS EXCLUDED.] *Articles III to VI and chapters 200, 201, 202A, 205, 206, 208, 209 and 210A do not apply to school district elections unless otherwise specifically provided by law.*

Sec. 3. Minnesota Statutes 1978, Section 200.02, is amended to read:

200.02 [DEFINITIONS.] Subdivision 1. *The word "election" means any election except those held in any school district unless otherwise specifically provided by law, at which the electors of the state or any subdivision thereof nominate or choose by ballot public officials or decide any public question lawfully submitted to them. The terms defined in this section apply to Articles III to VI and chapters 200, 201, 202A, 205, 206, 208, 209 and 210A.*

Subd. 2. *The words "general election" mean the election provided to be held in the state on the first Tuesday after the first Monday of November in every even numbered year. "General election" means an election held at regular intervals on a day determined by law or charter at which the voters of the state or any of its subdivisions choose by ballot public officials or presidential electors.*

Subd. 3. *The words "primary" or "primary election" mean an election held for the purpose of deciding by ballot who shall be the*

nominees for offices to be filled at an election. "Primary" means an election at which the voters of this state or any of its subdivisions choose by ballot the nominees for the offices to be filled at a general election.

Subd. 4. The words "municipal election" mean an election held in any municipality at which the electors of the municipality choose by ballot public officials for the municipality or decide any public question relating to the municipality lawfully submitted to them.

Subd. 5 4 . The words "special election" means an election held for a special purpose. "Special election" means:

(a) An election held at any time to fill vacancies in public offices; or

(b) An election held by a subdivision of the state for a special purpose.

Subd. 6 5 . The words "Special primary" or "special primary election" mean a primary means an election held to select choose the nominees for the vacant public offices to be filled at a special election.

Subd. 6. "Political party" means an association of individuals under whose name a candidate files for partisan office.

Subd. 7. The words "political party" mean an organization which shall have maintained in the state, governmental subdivision thereof or precinct therein in question, a party organization and presented candidates for election at the last preceding general election one or more of which candidates shall have been voted for in each county within the state at such election and shall have received in the state not less than five percent of the total vote cast for all candidates at such election. "Major political party" means a political party that maintains a party organization in the state, political division or precinct in question and:

(a) Which has presented at least one candidate for election to a partisan office at the last preceding state general election, which candidate received votes in each county in that election and received votes from not less than five percent of the total number of individuals who voted in that election; or

(b) Whose members to a number equal to at least five percent of the total number of votes cast at the preceding general election in the county where the application is made shall present to the county auditor a petition for a place on the state partisan primary election ballot , which petition contains signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election in the county where the application is submitted .

Subd. 8. The words "statutory city" mean any city which has not adopted a home rule charter pursuant to the constitution and laws of this state; the words "home rule charter city" mean any

city which has adopted such a charter "City" means a home rule charter or statutory city .

Subd. 10 9 . The word "Municipality" means any city or town.

Subd. 11 10 . The word "council" means the governing body of a municipality. "Governing body" means the board of commissioners of a county, the elected council of a city, or the board of supervisors of a town.

Subd. 12. The word "judge" means any judge of election.

Subd. 13. The words "peace officer" mean any sheriff, constable, policeman, or any citizen appointed and empowered to perform any of their duties.

Subd. 14 11 . The word "Precinct" means an election district a geographical area the boundaries of which are established for election purposes in accordance with Article IV, Section 14 .

Subd. 15. The word "Voter" means an elector qualified to vote at an election.

Subd. 16 12 . The words "polls" or "Polling place" mean means the place of voting.

Subd. 17 13 . The word "Convention" means an organized body of delegates representing a political party assembled for the purpose of transacting such business as lawfully comes before it the business of a major political party .

Subd. 18. The word "contestant" means the person who begins any proceeding to contest the result of an election.

Subd. 19. The word "contestee" means the person who is adverse to the contestant.

Subd. 20. The word "senator" means a member of the senate of this state.

Subd. 21. The word "representative" means a member of the house of representatives of this state.

Subd. 22. The word "commissioner" means the secretary of state of the state of Minnesota.

Subd. 23 14 . The words "Election board" mean means the election judges of election of an election serving in a precinct.

Subd. 24. The term of office of every state and county officer shall begin on the first Monday in January next succeeding his election, unless otherwise provided by law.

Subd. 25 15 . (a) "Eligible voter" means a person who at the time of any election,

(1) is 18 or more years of age,

(2) is a citizen of the United States, and

(3) has resided in Minnesota for 30 days.

(b) The following persons are not eligible voters:

(1) Any person who has been convicted of treason or any felony, who has not had his civil rights restored;

(2) Any person who is under guardianship over his person;

(3) Any person who is adjudicated to be non compos mentis or insane;

(4) Any person who is not properly registered an individual who is eligible to vote as provided in Article II, Section 2.

Subd. 26 16 . The words "County auditor" mean that officer means the county auditor or, in counties where that office does not exist, the principal county officer charged with duties relating to elections.

Subd. 27 17 . The words "Member of a major political party" mean a person means an individual who:

(a) Supports the general principles of a political party as stated in that party's constitution ; ;

(b) Voted for a majority of that party's candidates in the last general election ; ; or

(c) Intends to vote for a majority of a that party's candidates in the next general election.

Subd. 18. "Oath" means an oath or affirmation, as the conscience of the individual dictates. If an affirmation is given instead of an oath, "swear" means to affirm and "sworn" means affirmed.

Sec. 4. Minnesota Statutes 1978, Chapter 200, is amended by adding a section to read:

[200.031] [DETERMINATION OF RESIDENCE.] Residence shall be determined in accordance with the following principles, so far as they may be applicable to the facts of the case:

(a) The residence of an individual is in the precinct where the individual's home is located, from which the individual has no present intention of moving, and to which, whenever the individual is absent, he intends to return;

(b) An individual does not lose residence if he leaves his home to live temporarily in another state or precinct;

(c) An individual does not acquire a residence in any precinct of this state if he is living there only temporarily, without the intention of making that precinct his home;

(d) If an individual goes into another state or precinct with the intention of making it his home or files an affidavit of residence there for election purposes, he loses his residence in his former precinct;

(e) *If an individual moves to another state with the intention of living there for an indefinite period, he loses his residence in this state, notwithstanding any intention to return at some indefinite future time;*

(f) *Except as otherwise provided in this section, an individual's residence is located in the precinct where his family lives, unless his family is living in that precinct only temporarily;*

(g) *If an individual's family lives in one precinct and the individual lives or does business in another, the individual's residence is located in the precinct where his family lives, unless he establishes a home in the other precinct and intends to remain there, with or without his family;*

(h) *The residence of a single individual is in the precinct where he lives and usually sleeps;*

(i) *The mere intention to acquire a new residence, is not sufficient to acquire a new residence, unless the individual moves to that location; moving to a new location is not sufficient to acquire a new residence unless the individual intends to remain there;*

(j) *The residence of an individual who is working temporarily in any precinct of this state is in the precinct where his permanent home is located;*

(k) *The residence of an individual who is living permanently in a soldiers' home or nursing home is in the precinct where the home is located.*

## ARTICLE II

### VOTER ELIGIBILITY AND REGISTRATION

Section 1. Minnesota Statutes 1978, Section 201.01, is amended to read:

201.01 [DEFINITIONS.] ~~The words used in sections 201.01 to 201.27 have the meanings prescribed to them definitions in chapter 200 apply to chapter 201 .~~

Sec. 2. Minnesota Statutes 1978, Chapter 201, is amended by adding a section to read:

[201.014] [ELIGIBILITY TO VOTE.] *Subdivision 1. Except as provided in subdivision 2, an individual who meets the following requirements at the time of an election is eligible to vote. The individual must:*

(a) *Be 18 years of age or older;*

(b) *Be a citizen of the United States; and*

(c) *Maintain residence in Minnesota for 20 days immediately preceding the election.*

*Subd. 2. The following individuals are not eligible to vote. Any individual:*

(a) *Convicted of treason or any felony whose civil rights have not been restored;*

(b) *Under a guardianship of the person; or*

(c) *Found by a court of law to be legally incompetent.*

*Subd. 3. Any individual who votes when he knows he is not eligible to vote is guilty of a felony.*

Sec. 3. Minnesota Statutes 1978, Chapter 201, is amended by adding a section to read:

**[201.016] [RESIDENCE REQUIREMENTS FOR VOTING; PENALTIES.]** *Subdivision 1. An eligible voter may vote only in the precinct in which he maintains residence. The residence of a voter shall be determined in accordance with Article I, Section 4. Any individual who votes in a precinct knowing that he does not maintain residence in that precinct is guilty of a felony.*

*Subd. 2. The governing body of any city by resolution may require an eligible voter to maintain residence in a precinct for a period of 30 days prior to voting on any question affecting only that precinct or voting to elect public officials representing only that precinct. The governing body of any town by resolution may require an eligible voter to maintain residence in that town for a period of 30 days prior to voting in a town election.*

Sec. 4. Minnesota Statutes 1978, Chapter 201, is amended by adding a section to read:

**[201.018] [REGISTRATION REQUIREMENTS FOR VOTING.]** *Subdivision 1. An eligible voter who maintains residence in a county without a permanent voter registration system, may vote in any election in that county after the voter's name is entered in the election register as provided in Article V, Section 11.*

*Subd. 2. An eligible voter who maintains residence in a county with a permanent voter registration system must register in a manner specified by Article II, Section 6, in order to vote in any primary, special primary, general, or special election held in the county. An eligible voter who maintains residence in a school district which uses the county voter registration system as authorized by Article II, Section 12, must register in a manner specified by Article II, Section 6, in order to vote in any school election held in that district.*

Sec. 5. Minnesota Statutes 1978, Section 201.021, is amended to read:

**201.021 [PERMANENT REGISTRATION SYSTEM.]** A permanent system of voter registration by county is established. Any county containing no city with a population of 10,000 or more not containing a city with a population of 10,000 or more may by resolution of the county board be exempted exempt itself from the provisions of sections 201.021 to 201.221 Article II, Sections 5 to 24. The county auditor shall be chief registrar of voters and the chief custodian of the official registration records in each county.

Sec. 6. Minnesota Statutes 1978, Chapter 201, is amended by adding a section to read:

[201.054] [METHODS OF REGISTERING; PENALTIES.]  
*Subdivision 1. An individual may register to vote:*

(a) *At any time before the 20th day preceding any election as provided in section 201.061, subdivision 1, in counties where pre-registration is allowed; or*

(b) *On the day of an election as provided in section 201.061, subdivision 3; or*

(c) *When submitting an absentee ballot, by enclosing a completed registration card as provided in Article III, Section 4, Subdivision 4.*

*Subd. 2. No individual shall intentionally:*

(a) *Cause or attempt to cause his name to be registered in any precinct if he is not eligible to vote;*

(b) *Cause or attempt to cause his name to be registered for the purpose of voting in more than one precinct, or in any precinct in which he does not maintain residence;*

(c) *Misrepresent his identity when attempting to register to vote; or*

(d) *Aid, abet, counsel, or procure any other individual to violate this subdivision.*

*A violation of this subdivision is a felony.*

Sec. 7. Minnesota Statutes 1978, Chapter 201, is amended by adding a section to read:

[201.056] [SIGNATURE OF REGISTERED VOTER; MARKS ALLOWED.] *An individual who is unable to write his name shall be required to sign a registration card by making his mark. If the individual registers in person, the clerk or election judge accepting the registration shall certify the mark by signing the individual's name. If the individual registers by mail, the mark shall be certified by having a voter registered in the individual's precinct sign the individual's name and his own name and give his own address.*

Sec. 8. Minnesota Statutes 1978, Section 201.061, is amended to read:

201.061 [REGISTRATION; ON OR BEFORE ELECTION DAY.] *Subdivision 1. At any time before the 20th day preceding any election, an eligible voter or any person individual who upon registration will have the qualifications of will be an eligible voter at the time of the next election may register as a voter to vote in the precinct in which he resides, at any time prior to the 20th day preceding any election the voter maintains residence by completing a registration card and submitting it in person or by mail to the county auditor of the that county where he resides. Registration cards may be submitted to the county auditor in person or by*

U.S. mail addressed and postage paid. A registration card that is postmarked no later than 11:59 p.m. on the 20th day preceding any election or received on the next working day shall be deemed timely accepted. An improperly addressed or delivered registration cards card shall be forwarded within two working days from after receipt by an official receiving one to the county auditor of the county where the voter resides if the county can be determined maintains residence.

Subd. 2. The provisions of Subdivision 1 shall does not apply to eligible voters in any political subdivision which does not on July 1, 1973 have a permanent system of voter registration provided that unless the governing body of any that political subdivision may by ordinance or resolution elect elects to come under the provisions of subdivision 1. Once having so elected, the action The decision to allow preregistration may not be rescinded.

Subd. 3. An individual who on election day presents himself at the polling place for the precinct in which he resides and who is not registered but is otherwise eligible to vote may nevertheless vote upon registering. An individual may register at this time on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration card, making an oath in the form prescribed by the secretary of state and providing proof of his residence. An individual may prove his residence for purposes of registering by:

(1) Showing his drivers license or Minnesota identification card issued pursuant to section 171.07;

(2) Providing Showing any document approved by the secretary of state as proper identification; or

(3) Having an individual a voter who is registered to vote in the precinct sign an oath in the presence of the election judge stating that he personally knows that the applicant individual is a resident of the precinct. No individual who registers to vote on election day by proving residence as provided in clause (3) shall provide proof of residence for any other individual on that election day.

The election judge responsible for election day registration shall attempt to keep a record of and forward to the county auditor the number of individuals who attempt to register on election day but who cannot provide proof of residence as required by this section.

Subd. 4. Registration at the polling place on election day shall be conducted by the election judges. The election judge who registers an individual at the polling place on election day shall not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration cards and forms for the card and oaths shall be available at each polling place. When an individual signs an oath that he personally knows that an applicant is a resident of the precinct If an individual who registers on election day proves residence by oath of a registered voter, the form containing the oath shall be attached to the applicant's

*individual's registration card until the his address of the applicant is verified by the county auditor. Forms used pursuant to this section Registration cards completed on election day shall be forwarded to the county auditor who shall, unless the information forwarded is substantially deficient, add the name of the each voter to the registration system unless the information forwarded is substantially deficient. If the A county auditor who finds a an election day registration pursuant to this subdivision substantially deficient he shall give written notice to the person individual whose registration is found deficient. A An election day registration shall not be found deficient only solely because the individual who provided proof of residence was ineligible to do so shall not be considered deficient, and the name of the voter shall be added to the registration system.*

*Subd. 4. Registration at the polls on election day shall be conducted by the election judges. The election judge who registers a person at the polls on election day shall not be the same judge who shall have charge of and hand to and receive from the voter his ballots.*

*Subd. 5. In case a voter is unable to write his name, he shall be required to make a cross, which shall be certified by signing the name of the applicant by the registration clerk taking the application. If the registration card is submitted by mail the cross shall be certified by having a voter registered in the precinct of the applicant sign the name of the applicant and sign his own name and give his own address.*

*Subd. 6 5. Each eligible voter is entitled to vote only in the one precinct in which he resides. The judges of No election judge in any election precinct in which registration is required may not receive the vote at any election of any person individual whose name is not registered in accordance with the provisions of Laws 1972, Chapter 676 in a manner specified in Article II, Section 6, Subdivision 1. A violation of this subdivision is a felony.*

*Subd. 6. Except as otherwise provided by this subdivision, the county auditor shall supply the judges in provide each precinct with an accurate precinct map or precinct finder of the precinct to assist them the election judges in determining whether a newly registering voter is registering an address is located in the proper that precinct. A county auditor may delegate this responsibility as provided in Article II, Section 24, Subdivision 4, to a municipal clerk who prepares precinct maps as provided in Article IV, Section 14, Subdivision 5.*

*Subd. 7. Voters registered under Minnesota Statutes 1971 shall not be required to reregister under Laws 1973, Chapter 676.*

*Subd. 7. The election judge responsible for election day registration shall attempt to keep a record of the number of individuals who attempt to register on election day but who cannot provide proof of residence as required by this section. The record shall be forwarded to the county auditor with the election returns for that precinct.*

Subd. 8. Any political subdivision which did not on July 1, 1973 have a permanent system of voter registration shall provide prior to the date of the 1974 primary election for the transfer of names of persons who voted at the general election in 1972 and who are not permanently registered to permanent registration cards, together with such other information available from the election records as is required by section 201.071, subdivision 1. Such registration cards shall be alphabetized by precinct and the cards for each precinct shall be kept at the polling place on the 1974 primary and general election days. Persons whose registration cards have been so prepared and who have not changed residence shall be deemed registered by proving identity and signing the registration card.

Subd. 9. For the general election in 1974 only, each political subdivision which did not on July 1, 1973 have a permanent system of voter registration shall provide one additional election judge in each precinct for every 400 persons voted at the general election in 1972.

Sec. 9. Minnesota Statutes 1978, Section 201.071, is amended to read:

201.071 [REGISTRATION CARDS.] Subdivision 1. Registration cards shall be manila or cardboard cards of suitable size and weight suitable for mailing, and shall be contain the following information in substantially in the following form:

**VOTERS VOTER REGISTRATION CARD**

(Please print or type)

Date: .....

1. Name: .....  
                                     Last                                    First                                    Middle Initial

2. Address: .....  
                                     Street or Route No.

.....  
                                     City (or Township)                                    County                                    Zip

3. Telephone Number:

4. Date of birth (optional): .....

5. Last registration if any .....  
                                     Street or Route Number

.....  
                                     City (or Township)                                    Zip

6. I certify that I will be at least 18 years old on election day and that the above facts are correct. I understand that giving false information to procure a registration is a felony punishable by not more than five years imprisonment and a fine of not more than \$5,000, or both.

.....  
                                     Signature of Voter

Subd. 2. When made available for potential registrants the A registration card shall be accompanied by instructions specifying the manner and method of registration and stating, the qualifications for an eligible voter voting and specifying the penalties for false registration.

Subd. 3. No registration is faulty or defective *deficient* if the registration card it contains the voter's name, address, prior registration if any and signature, as in items 1, 2, 5 and 6 of the registration card above. The absence of a zip code number does not cause the registration to be faulty or defective *deficient*. The election judges of election may shall request a voter an individual to complete correct a registration card that if it is incomplete *deficient* or illegible. No eligible voter may be prevented from voting unless his registration card is faulty or defective *deficient* or he is duly and successfully challenged in accordance with provisions of this chapter Article II, Section 22 or Article V, Section 12.

Subd. 4. Any county auditor who receives a registration card indicating that a voter an individual was previously registered in a different county in Minnesota shall notify the county auditor of that county on a form prescribed by the secretary of state. A county auditor receiving a registration card indicating that a voter was previously registered in a different precinct in the same county or receiving a notification form from the auditor of another county, as provided in this subdivision or Article V, Section 30, Subdivision 2, shall delete that voter's individual's name from the registration lists and remove the original and duplicate voter registration cards from the files. Any county auditor who receives a registration card or notification requiring a change of registration records under this subdivision shall also check the duplicate registration card from the precinct of prior residence to determine whether the voter individual voted in that precinct in the most recent election.

Sec. 10. Minnesota Statutes 1978, Section 201.081, is amended to read:

201.081 [REGISTRATION FILES.] Subdivision 1. Within 90 days after the effective date of regulations of the secretary of state implementing Laws 1973, Chapter 676, the municipal official for each municipality who has custody of the original record of voters pursuant to Minnesota Statutes 1971, Chapter 201, shall deliver to the county auditor of the county where the municipality is located:

- (1) The original registration file of voters registered under any law prior to Laws 1973, Chapter 676; and
- (2) The duplicate registration file of the voters.

Subd. 2. The original registration file and the duplicate registration file shall be the record of registered voters. The original and duplicate registration files shall be kept in the office of the county auditor or in the office of a person public official to whom the county auditor has delegated the responsibility of keeping either file and. The files shall not be removed except that the duplicate

file shall be delivered *as provided in section 201.221, Subdivision 3*, to the duly authorized *election judges of election* for use on election day.

Sec. 11. Minnesota Statutes 1978, Section 201.091, is amended to read:

201.091 [PRECINCT LISTS; INSPECTION OF DUPLICATE REGISTRATION FILE; ADMINISTRATIVE COSTS OF VOTER REGISTRATION; ANNUAL REPORT: DESIGNATION OF PUBLIC BUILDINGS FOR REGISTRATION.] Subdivision 1. Each county auditor shall prepare and maintain a current list of the duplicate registration file. *This cards, which* list shall be known as the precinct list and . *It* shall show the names *name* and residence address of all voters *each voter* registered *within in* the precinct. The telephone number shall be included on the list *when if* provided by the *person registering voter* .

Subd. 2. Within 90 days after each *state* general election, the county auditor shall *have prepare and on request make* available current registered voter precinct lists by precinct for the county. *The Each precinct list* shall be periodically corrected and updated by the county auditor ; and . A final corrected precinct list for each precinct shall be available 15 days before each primary election . A corrected precinct list may be either in the form of a complete corrected list or as a separate list of additions and deletions to the preceding list.

Subd. 2a 3 . If the responsibility for maintaining the duplicate registration file has been delegated by the county auditor in accordance with section 201.081, subdivision 2, the A public official maintaining the duplicate registration file *pursuant to section 201.081* shall deliver the original voter registration cards to the county auditor within 30 days after the a primary election and within 60 days after a general election. Within 60 days after he receives *receiving* the original voter registration cards after a general election , the county auditor shall send back *return* the corrected precinct list of registered voters to the public official maintaining the duplicate registration file.

Subd. 2b 4 . Subject to reasonable rules and regulations, The duplicate registration file shall be open to public inspection ; but no public inspection shall be permitted or allowed that will disarrange the registration files. No person to whom a file of registered electors is made available under this subdivision and no person . The public official having custody of the voter registration files may adopt reasonable rules governing access to the files. No individual inspecting the duplicate registration file shall tamper with the cards or their arrangement. No individual who inspects a duplicate registration file or who acquires a list of registered electors voters prepared from the file may use any information contained therein in the file or list for purposes which are not related unrelated to elections, political activities, or law enforcement.

Subd. 3 5 . Paper copies of the latest registered voter lists as specified in subdivision 2 shall be available within ten days of a request. The county auditor shall provide paper copies of the current precinct lists and may provide lists in some other form to any voter registered within in the county ; upon within ten days of receiving a written request therefor to the county auditor accompanied by payment of the cost of reproduction and . The county auditor shall make a paper copy of the list shall be available for examination public inspection without cost. No person to whom a registered voter list is made available under this subdivision and no person who acquires a registered voter list individual who inspects or acquires a copy of a precinct list may use any information contained therein in it for the purposes which are not related unrelated to elections, political activities, or law enforcement.

Subd. 4 6. Each person public official to whom the county auditor has delegated responsibility for the administration of the provisions of this chapter shall maintain records and accounts for his office and submit annually an annual report to the county auditor a report on the conduct and costs of registration and voting borne by his office. The public official shall maintain adequate records to verify the information contained in the report.

Subd. 5 7 . Each county auditor shall maintain records and accounts for his office and submit annually a an annual report on the conduct and costs of registration and voting in the county to the secretary of state . The county auditor shall maintain adequate records to verify the information contained in the report .

Subd. 6 8 . Each county auditor shall determine designate a number of public buildings located within in those political subdivisions of the county ; and not less than one location per 30,000 residents, where preregistration of voters is allowed as provided in section 201.061, subdivision 1, where eligible voters may register by completing a registration card and leaving it with an official within the building whose duty it shall be to transmit the card to the appropriate county auditor to vote. At least one public building shall be designated for each 30,000 residents of the political subdivision . An adequate supply of registration cards shall be maintained at the each designated locations location, and a designated individual shall be available there to accept registration cards and transmit them to the county auditor .

Sec. 12. Minnesota Statutes 1978, Chapter 201, is amended by adding a section to read:

[201.095] [SCHOOL ELECTIONS; USE OF VOTER REGISTRATION SYSTEM.] The county auditor shall allow independent or special school districts to use the necessary portions of the county's registration system for school district elections, if requested by the school board of the district, and provided that the use does not interfere with other elections. The county auditor may impose reasonable requirements to preserve the security and integrity of the system. The county auditor and the school district shall provide by agreement for the details of the use of the system

*by the school district. The school board may designate a member of the board or an employee as registration officer. The provisions of chapter 201 and Article III relating to registration of voters shall apply to school district elections in which the county registration system is used.*

Sec. 13. Minnesota Statutes 1978, Section 201.11, is amended to read:

201.11 [PRECINCT BOUNDARIES; CHANGE OF BOUNDARIES; CHANGE OF FILES.] When the boundaries of an election a precinct in any such municipality shall be are changed, the county auditor shall immediately change the registration files to correctly show the names of the voters who are residents therein of that precinct .

Sec. 14. Minnesota Statutes 1978, Section 201.12, is amended to read:

201.12 [PROPER REGISTRATION; VERIFICATION BY MAIL; CHALLENGES.] *Subdivision 1. For the purpose of preventing To prevent fraudulent voting and eliminating to eliminate excess names, the county auditor , at any time he deems it necessary, may send by mail to any registered voter whose name appears in the original registration file a notice that his stating the voter's name and address appear therein as indicated; and, if there is any mistake in the name or the address, the voter shall so as they appear in the registration files. The notice shall request the voter to notify the office of the county auditor and have the same corrected if there is any mistake in the information .*

*Subd. 2. Failure to do so or the return of the notice by the post office to the county auditor shall be sufficient evidence to justify a challenge of his vote at an election, which challenge shall be signed by the county auditor. Upon the return by the post office of any such of the notice by the postal service , the county auditor or his staff shall direct a deputy or clerk in his office to personally ascertain the name and address of any such voter; and, if such voter is found to have removed from that individual. If the individual is no longer at the address recorded in the original registration file, the county auditor shall cause to be affixed to the duplicate registration file card of the voter affix the word "challenged" to the duplicate registration card . No person so challenged shall be permitted to vote except by complying with all provisions of law applicable to the proving of challenges. Any individual challenged in accordance with this subdivision shall comply with the provisions of Article V, Section 12, before being allowed to vote.*

Sec. 15. Minnesota Statutes 1978, Section 201.121, is amended to read:

201.121 [ENTRY OF NAMES; MAILED NOTICE.] *Subdivision 1. Upon receiving a registration card properly completed and submitted in accordance with sections 201.061 and 201.071, the county auditor shall enter in the appropriate registration files the registration card or the information contained on the card in the appropriate registration files it.*

Subd. 2. The county auditor shall mail to each registrant a notice indicating the voter's individual's name, address, precinct and polling place to each registered voter. The notice shall require indicate that it must be returned if it is not deliverable to the voter at the named address. For any notice that is returned Upon return of the notice by the postal service, the county auditor shall ~~cause to be affixed to the~~ affix the word "challenged" to the voter's duplicate registration card of the voter the word "challenged". ~~No~~ An individual so challenged in accordance with this subdivision shall be permitted to vote except by complying comply with all the provisions of law applicable to the proving of challenges Article V, Section 12, before being allowed to vote.

Subd. 3. In the case of election day registrations Within ten days after an election, the county auditor shall within ten days of the election send the notice prescribed in required by subdivision 2 to a random sampling of the election day registrants individuals registered on election day. The random sampling shall be determined in accordance with the rules of the secretary of state. As soon as practicable after the election, the county auditor shall send mail the notice prescribed in required by subdivision 2 to all other election day registrants as soon as practicable after the election individuals registered on election day. If any a notice is returned as not deliverable, the county auditor shall attempt to determine the reason for the return. If, upon inquiry, the county auditor does not receive or obtain satisfactory proof of the registrant's individual's eligibility to vote, he shall immediately notify the county attorney and the secretary of state of the irregularity.

Sec. 16. Minnesota Statutes 1978, Section 201.13, is amended to read:

201.13 [LOCAL REGISTRAR OF VITAL STATISTICS; REPORT OF DEATHS TO COUNTY AUDITOR.] The local registrar of vital statistics in each county or municipality, as the case may be, shall report monthly to the county auditor the name and address of each person individual 18 years of age or older who has died while a resident in the registration jurisdiction maintaining residence in that county or municipality since the last previous report. Upon receipt of such the report, the county auditor shall examine the original and duplicate registration files and remove therefrom and destroy remove from the files the original and duplicate registration cards of registered persons so the voters reported by the local registrar as to be deceased.

Sec. 17. Minnesota Statutes 1978, Section 201.14, is amended to read:

201.14 [CLERK OF DISTRICT COURT; REPORT OF CHANGED NAMES.] The clerk of district court in each county in the state shall report monthly to the county auditor the name and address of each person individual, 18 years of age or over, residing who maintains residence in that county and whose name shall have been was changed during the month preceding the date of the report, by marriage, divorce or any order or decree of such

*the court. Upon receipt of such the report, the county auditor shall notify such voter by mail each registered voter whose name was changed that it is will be necessary for him to re-register under such the changed name in order to vote at an election .*

Sec. 18. Minnesota Statutes, 1979 Supplement, Section 201.15, is amended to read:

**201.15 [PROBATE JUDGE, REPORT GUARDIANSHIPS AND COMMITMENTS.]** *Subdivision 1. The probate judge of probate in each county in the state shall report monthly to the county auditor the name , age and address of each individual 18 years of age or over residing , who maintains residence in the that county and who, during the month preceding the date of the report , :*

*(a) was placed under a guardianship of the person or ;*

*(b) adjudged legally incompetent by reason of mental illness, mental deficiency, or inebriation, or as ; or*

*(c) was adjudged a psychopathic personality , and each such .*

*The judge shall also report the same information for each individual transferred to the jurisdiction of or restored to capacity by the court , or transferred from guardianship to conservatorship who meets a condition specified in clause (a), (b) or (c) . Upon receipt of the report, the county auditor shall examine the original and duplicate registration files to determine if whether any individual named in the report is registered to vote. The county auditor shall attach a notice to the original and duplicate registration cards of any individual so named in the report informing the election judges that the individual is not eligible to reregister or vote. The notice shall contain the reason for ineligibility, the date of the determination, and the dated signature of the county auditor.*

*Subd. 2. The probate judge in each county shall report monthly to the county auditor the name and address of each individual transferred from guardianship to conservatorship or who is restored to capacity by the court after being ineligible to vote for any of the reasons specified in subdivision 1. Upon notice from the judge of probate of a restoration to capacity, or of a transfer from guardianship to conservatorship, the county auditor shall remove the notice from the individual's registration cards and thereafter process the cards in the same manner as if no guardianship or adjudication had occurred.*

Sec. 19. Minnesota Statutes 1978, Section 201.161, is amended to read:

**201.161 [CHANGE OF DRIVER'S LICENSE.]** *When a person notifies the department of public safety of a change of domicile or name and an individual applies for a corrected duplicate driver's license pursuant to section 171.11, the department of public safety shall transmit a voter registration card to the applicant a voters*

registration card together with instructions for completing the card and returning it by mail to the appropriate county auditor. Voters Voter registration cards shall also be available from clerks and agents who receive applications pursuant to sections 171.06 and 171.07. Voters Voter registration cards required to carry out the provisions of this section shall be provided at no cost to the department of public safety at no cost by the secretary of state.

Sec. 20. Minnesota Statutes 1978, Section 201.171, is amended to read:

201.171 [FAILURE TO VOTE; REMOVAL OF REGISTRATION.] After the close of each calendar year, the county auditor shall examine remove the original and duplicate registration files and shall delete therefrom the name cards of any voter who has not voted during the four preceding calendar years in any election, including but not limited to a school district election where the permanent voter registration cards specified in this chapter are used including a school election during the four preceding calendar years system is used. Although not counted in any race an election, a late absentee ballot shall be considered a vote for the purpose of continuing registration.

Sec. 21. Minnesota Statutes 1978, Section 201.18, is amended to read:

201.18 [MEMBERS OF THE MILITARY; REGISTRATION SAVED.] In the event that the applicant If the voter was registered but is did not entitled to vote because he has failed to vote at an election at least once in any during the four successive preceding calendar years wherein elections are held, if the applicant because of service in the military, the voter, or someone in his on the voter's behalf, shall may file an affidavit with the county auditor; stating that on the date of any one election during such four year period the applicant the voter was a member of the armed forces of the United States, such military during that period or any portion of it. The affidavit shall operate as a re-registration, and shall entitle the applicant voter to vote.

Sec. 22. Minnesota Statutes 1978, Chapter 201, is amended by adding a section to read:

[201.195] [CHALLENGES.] Subdivision 1. Upon petition filed with the county auditor, any voter registered within a county may challenge the eligibility or residence of any other voter registered within that county. The petition shall state the grounds for challenge and be accompanied by an affidavit stating that the challenge is based on the challenger's personal knowledge. Within five days after receipt of the petition, the county auditor shall set a date for a hearing on the challenge and notify the challenger by mail. A copy of the petition and notice of the hearing shall be served on the challenged voter by the county auditor in the same manner as in a civil action. The hearing shall be held before the county auditor or his designee who shall then make findings and affirm or dismiss the challenge.

*Subd. 2. If a challenge is affirmed, the voter whose registration has been challenged may appeal the ruling to the secretary of state. The appeal shall be heard within five days but in any case before election day. Upon hearing the appeal the secretary of state shall affirm or reverse the ruling and shall give appropriate instructions to the county auditor.*

*Subd. 3. A hearing before the secretary of state shall be conducted as a contested case and determined in accordance with chapter 15.*

Sec. 23. Minnesota Statutes 1978, Section 201.211, is amended to read:

201.211 [ADMINISTRATIVE COSTS; ALLOCATION.] ~~The costs of administering office required to perform the functions and duties of this chapter shall be borne by the office required by Laws 1973, Chapter 676 to perform the functions and duties herein required but bear the costs incurred. If these functions and duties are delegated to another office they , that office shall be borne by that office bear the costs .~~

Sec. 24. Minnesota Statutes 1978, Section 201.221, is amended to read:

201.221 [RULES.] Subdivision 1. ~~To implement the provisions of this chapter, the secretary of state shall adopt rules and regulations to implement the provisions of this chapter by October 1, 1973 consistent with federal and state election laws .~~

~~Subd. 2. He shall make rules consistent with the federal and state election laws to facilitate the execution of their provisions in an orderly manner and to that end The secretary of state shall assist local election officers by devising uniform forms and procedures. He The secretary of state shall provide uniform regulations governing the maintenance of rules for counties maintaining voter registration records on electronic or automatic data processing systems so that the records of counties using the systems are compatible with a uniform system of electronic data maintenance. He The secretary of state shall supervise the development and use of the system to insure that it conforms to applicable provisions of law laws and regulations rules .~~

~~Subd. 3. He shall prescribe the method and manner of transporting and delivering the original and duplicate registration files from the office where now located to the locations required by Laws 1973, Chapter 676.~~

~~Subd. 4 3 . He The secretary of state shall prescribe the form of the duplicate registration file so that a duplicate card will contain spaces for the voter's name, address, and telephone number, and signature, and space to indicate whether the voter has voted in a given election and the voter's signature . He The secretary of state shall prescribe procedures for transporting the duplicate registration files to the election judges for use on election day so the signatures of voters may be compared with the signatures on the duplicate registration file .~~

Subd. 5 4 . The county auditor of each county may adopt rules and regulations which provide for the delegation of delegate to municipal officials in that county the duties assigned to him county auditors by Laws 1973, Chapter 676 to municipal officials this chapter . Provided however the county auditor may not delegate the responsibility to maintain custody of the original registration file of voters and the preparation and distribution of precinct lists. Provided further that If the county auditor may delegate delegates the power and responsibility duty to accept registrations but a , that delegation of this power does not relieve him of the power and duty to accept these registrations. When any a municipality shall have municipal official is delegated to it responsibilities duties given to the county auditor by Laws 1973, Chapter 676 this chapter , the council governing body of the municipality shall immediately provide the necessary funds, equipment and facilities and shall proceed to , establish a place of registration and put the registration plan into operation without delay.

Sec. 25. Minnesota Statutes 1978, Section 201.27, is amended to read:

201.27 [VIOLATIONS, PENALTIES.] Subdivision 1. Any No officer, deputy, clerk, or other employee who wilfully shall intentionally:

(a) fails Fail to perform or enforce any of the provisions of this chapter except the provisions of subdivision 2 ; or who ;

(b) unlawfully or fraudulently removes Remove any registration card or record from its proper compartment place in the registration files, or who in any manner or for any purpose not authorized by law;

(c) wilfully destroys Destroy any record provided required to be kept by this chapter to be kept, or any person who wilfully or fraudulently registers more than once, or registers under any but his true name, or attempts to vote by impersonating another who is registered, or who wilfully registers in any precinct where he is not a resident at any time of registering, or who ; or

(d) adds Add a name or names to the voter registration files, records or cards, or who violates any of the provisions of this chapter except as authorized by law.

An individual who violates this subdivision is guilty of a felony.

Subd. 2. Any A deputy, clerk, employee or other subordinate of a county auditor or municipal clerk who has knowledge or reason to believe that a violation of this chapter has occurred ; shall immediately transmit a report of his knowledge or belief to the county auditor or municipal clerk, together with any evidence of the violation coming into his possession. Any county auditor or municipal clerk who has knowledge or reason to believe that a violation of this chapter has occurred shall immediately transmit a report of his knowledge or belief to the county attorney of the county wherein where the violation is thought to have occurred,

together with any evidence of the violation coming into his possession. The county auditor or municipal clerk shall also immediately send a copy of the report to the secretary of state. A violation of this subdivision is a misdemeanor.

*Subd. 3. An individual who intentionally violates any provision of this chapter is guilty of a felony, unless a different penalty is specifically provided by law.*

Sec. 26. Minnesota Statutes 1978, Section 201.275, is amended to read:

201.275 [INVESTIGATIONS; PROSECUTIONS.] Any A county attorney receiving any a report of a possible violation of this chapter shall immediately and diligently inquire into the facts of the possible violation. If there are reasonable grounds for instituting a prosecution, the county attorney shall present the charge, together with all the evidence that he can procure, to the grand jury of the county. If any A county attorney who fails or refuses to faithfully perform any duty imposed on him by this chapter, he is guilty of a misdemeanor and on upon conviction thereof shall forfeit his office.

### ARTICLE III

#### ABSENTEE VOTING

Section 1. [203B.01] [ABSENTEE BALLOTING; DEFINITIONS.] *Subdivision 1. The definitions in Minnesota Statutes, Chapter 200 and this section apply to this article.*

*Subd. 2. "Municipal clerk" means a full-time town or city clerk who is authorized or required to administer the provisions of Article III, Sections 4 to 15, as provided in Article III, Section 5.*

*Subd. 3. "Military" means the army, navy, air force, marine corps, coast guard or merchant marine of the United States.*

Sec. 2. [203B.02] [ABSENTEE VOTING; GENERAL ELIGIBILITY REQUIREMENTS.] *Subdivision 1. Any eligible voter who is unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct, illness, physical disability, religious discipline, observance of a religious holiday or service as an election judge in another precinct may vote by absentee ballot as provided in Article III, Sections 4 to 15.*

*Subd. 2. An eligible voter who is either in the military, or is a spouse or dependent of an individual serving in the military, or is temporarily outside the territorial limits of the United States may vote by absentee ballot either as provided in Article III, Sections 4 to 15 or as provided in Article III, Sections 16 to 27.*

*Subd. 3. A United States citizen living permanently outside the United States who is eligible under federal law to vote in federal elections in Minnesota may vote by absentee ballot only as provided in Article III, Sections 16 to 27.*

**Sec. 3. [203B.03] [ABSENTEE VOTING PROHIBITIONS; PENALTIES.]** *Subdivision 1. No individual shall intentionally:*

- (a) Make or sign any false certificate required by this article;*
- (b) Make any false or untrue statement in any application for absentee ballots;*
- (c) Apply for absentee ballots more than once in any election with the intent to cast an illegal ballot;*
- (d) Exhibit a ballot marked by that individual to any other individual; or*
- (e) Do any act in violation of the provisions of this article for the purpose of casting an illegal vote in any precinct or for the purpose of aiding another to cast an illegal vote.*

*Subd. 2. A violation of this section is a felony.*

**Sec. 4. [203B.04] [APPLICATION FOR BALLOTS.]** *Subdivision 1. Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not more than 45 days nor less than one day before the day of that election. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:*

- (a) The county auditor of the county where the applicant maintains residence; or*
- (b) The municipal clerk of the municipality where the applicant maintains residence.*

*An application shall be accepted if it is signed and dated by the applicant, contains the applicant's residence and mailing addresses and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in Article III, Section 2.*

*Subd. 2. An eligible voter who on the day before an election becomes a resident or patient in a health care facility or hospital located in the municipality in which the eligible voter maintains residence may apply for absentee ballots on election day if the voter:*

- (a) Requests an application form by telephone from the municipal clerk not later than 5 p.m. on the day before election day; or*
- (b) Submits an absentee ballot application to the election judges engaged in delivering absentee ballots pursuant to Article III, Section 11.*

*Subd. 3. The election judges designated to deliver absentee ballots pursuant to Article III, Section 11 shall deliver a blank application form for absentee ballots to any individual who requests one in order to apply for absentee ballots pursuant to subdivision 2.*

*Subd. 4. In counties with a permanent system of voter registration, an eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by in-*

*cluding a completed voter registration card with the absentee ballot. The individual shall present proof of residence as required by Minnesota Statutes, Section 201.061, Subdivision 3, to the individual who witnesses the marking of the absentee ballots.*

**Sec. 5. [203B.05] [DESIGNATION OF MUNICIPAL CLERKS TO ADMINISTER ABSENTEE VOTING LAWS.]**  
*Subdivision 1. The full-time clerk of any city or town shall administer the provisions of Article III, Sections 4 to 15 if:*

*(a) The county auditor of that county has designated the clerk to administer them; or*

*(b) The clerk has given the county auditor of that county notice of intention to administer them.*

*Subd. 2. For city elections not held on the same day as a statewide election and for town elections conducted under the Australian ballot system, applications for absentee ballots shall be filed with the city or town clerk and the duties prescribed by this article for the county auditor shall be performed by the city or town clerk unless the county auditor agrees to perform those duties on behalf of the city or town clerk. The costs incurred to provide absentee ballots and perform the duties prescribed by this subdivision shall be paid by the city or town holding the election.*

**Sec. 6. [203B.06] [APPLICATIONS; FILING WITH COUNTY AUDITOR OR MUNICIPAL CLERK; DELIVERY OF BALLOT.]**  
*Subdivision 1. Each county auditor and municipal clerk shall prepare and print a sufficient number of blank application forms for absentee ballots. The county auditor or municipal clerk shall deliver a blank application form to any voter who requests one pursuant to Article III, Section 4.*

*Subd. 2. If for any reason an application for absentee ballots is submitted to the wrong county auditor or city or town clerk, that official shall promptly forward it to the proper county auditor or municipal clerk.*

*Subd. 3. If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:*

*(a) Mail the ballots to the voter whose signature appears on the application if the application is submitted by mail; or*

*(b) Deliver the absentee ballots directly to the voter if the application is submitted in person.*

*If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application.*

*This subdivision does not apply to applications for absentee ballots received pursuant to Article III, Section 4, Subdivision 2, and Section 11.*

*Subd. 4. In counties with a permanent system of voter registration, upon receipt of an application for ballots, the county auditor, municipal clerk, or election judge acting pursuant to Article III, Section 11, who receives the application shall determine whether the applicant is a registered voter. If the applicant is not registered to vote, the county auditor, municipal clerk or election judge shall include a voter registration card among the election materials provided to the applicant.*

*Subd. 5. An application for absentee ballots shall be dated by the county auditor or municipal clerk when it is received and shall be initialed when absentee ballots are mailed or delivered to the applicant. All applications shall be preserved by the county auditor or municipal clerk and arranged according to precincts and the initial letter of the applicant's surname.*

*Subd. 6. If an application for absentee ballots requests delivery of absentee ballots to a point outside the continental United States, the absentee ballots shall be sent by air mail. The transmittal and return envelopes shall be marked with the words "OFFICIAL ELECTION BALLOTING MATERIAL — VIA AIR MAIL". Priority in mailing shall be given to all ballots sent by air mail.*

*Subd. 7. If the federal government or any of its branches, departments, agencies or other instrumentalities makes any special service available for the mailing of absentee voting materials, any county auditor or municipal clerk may use the service.*

*Subd. 8. No envelope, return envelope or directions for casting an absentee ballot shall contain the name of any candidate whose name appears on any of the absentee ballots.*

**Sec. 7. [203B.07] [RETURN AND BALLOT ENVELOPES; DIRECTIONS TO VOTERS.]** *Subdivision 1. The county auditor or the municipal clerk shall prepare, print, and transmit a return envelope, a ballot envelope and a copy of the directions for casting an absentee ballot to each applicant whose application for absentee ballots is accepted pursuant to Article III, Section 4. When a voter registration card is sent to the applicant as provided in Article III, Section 6, Subdivision 4, the directions or registration card shall include instructions for registering to vote.*

*Subd. 2. The return envelope shall be of sufficient size to conveniently enclose and contain the ballot envelope and a voter registration card folded along its perforations. The return envelope shall be designed to open on the left hand end. A certificate of eligibility to vote by absentee ballot shall be printed on the right hand three-fourths of the back of the envelope. The certificate shall contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot. The certificate*

*shall also contain a statement signed by an eligible voter of the county in which the absent voter maintains residence or by a notary public, United States postmaster, assistant postmaster, postal supervisor, clerk of a postal service contract station or other individual authorized to administer oaths stating that:*

- (a) The ballots were displayed to that individual unmarked;*
- (b) The voter marked the ballots in that individual's presence without showing how they were marked; and*
- (c) If the voter was not previously registered, that the voter has provided proof of residence as required by Minnesota Statutes, Section 201.061, Subdivision 3.*

*The county auditor or municipal clerk shall affix first class postage to the return envelopes.*

**Sec. 8. [203B.08] [MARKING AND RETURN OF ABSENTEE BALLOTS.]** *Subdivision 1. An eligible voter who receives absentee ballots as provided in this article shall mark them in the manner specified in the directions for casting the absentee ballots. The return envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots or may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter.*

*Subd. 2. The county auditor or municipal clerk shall address return envelopes to allow direct mailing of the absentee ballots to:*

- (a) The county auditor or municipal clerk who sent the ballots to the voter;*
- (b) The clerk of the town or city in which the absent voter is eligible to vote; or*
- (c) The appropriate election judges.*

*Subd. 3. When absentee ballots are returned to a county auditor or town or city clerk, that official shall stamp and date the return envelope with an official seal of the office and place it in a secure location with other return envelopes received by that office. The county auditor or town or city clerk shall deliver them to the appropriate election judges on election day.*

*Subd. 4. The secretary of state by rule shall establish procedures to be followed by county auditors and town and city clerks to assure accurate and timely return of absentee ballots. The rules of the secretary of state may authorize procedures and methods of return in addition to those specified in this section.*

**Sec. 9. [203B.09] [FORM AND CONTENT OF REQUIRED MATERIALS; RULES OF SECRETARY OF STATE.]** *The secretary of state shall adopt rules establishing the form, content, and type size and style for the printing of blank applications for absentee ballots, return envelopes, certificates of eligibility to vote by absentee ballot, ballot envelopes and directions for casting an absentee ballot. Any official charged with the duty*

*of printing any of these materials shall do so in accordance with these rules.*

**Sec. 10. [203B.10] [DELIVERY OF ABSENTEE BALLOT APPLICATIONS TO ELECTION JUDGES.]** *On the day before an election:*

*(a) The county auditor shall deliver to the town and city clerks within that county the applications for absentee ballots theretofore received and endorsed as provided in Article III, Section 6, Subdivision 5; and*

*(b) The town and city clerks shall deliver the applications received from the county auditor and the applications for absentee ballots filed with their respective offices and endorsed as provided in Article III, Section 6, Subdivision 5, to the appropriate election judges. Applications received on election day pursuant to Article III, Section 4, Subdivision 2, shall be promptly delivered to the election judges in the precincts.*

**Sec. 11. [203B.11] [HOSPITAL PATIENTS AND RESIDENTS OF HEALTH CARE FACILITIES.]** *Each municipal clerk shall designate election judges to deliver absentee ballots to any eligible voter who has applied for an absentee ballot as provided in Article III, Section 4, Subdivision 2, and who is a temporary or permanent resident or a patient in a health care facility or hospital located in the municipality in which the voter maintains residence. The ballots shall be delivered by two election judges, each of whom is affiliated with a different major political party. When the election judges deliver or return ballots as provided in this section, they shall travel together in the same vehicle. Both election judges shall be present when an applicant completes the certificate of eligibility and marks the absentee ballots, and may assist an applicant as provided in Article V, Section 15. The election judges shall deposit the return envelopes containing the marked absentee ballots in a sealed container and return them to the clerk on the same day that they are delivered and marked. The election judges shall deliver absentee ballots as provided in this section during the ten days preceding an election except that ballots may be delivered on election day to any voter who has applied for ballots pursuant to Article III, Section 4, Subdivision 2.*

**Sec. 12. [203B.12] [ELECTION JUDGES TO RECEIVE AND COUNT BALLOTS.]** *Subdivision 1. [RECEIPT OF RETURN ENVELOPES.] The election judges in each precinct shall take possession of all return envelopes delivered to them in accordance with Article III, Section 8.*

**Subd. 2. [EXAMINATION OF RETURN ENVELOPES.]** *Two or more election judges shall examine each return envelope and shall mark it accepted or rejected in the manner provided in this subdivision. The election judges shall remove the ballot envelope from the return envelope, mark the ballot envelope "Accepted" and initial or sign the ballot envelope below the word "Accepted" if the election judges or a majority of them are*

*satisfied that:*

*(a) The voter's signature on the return envelope is the genuine signature of the individual who made the application for ballots and the certificate has been completed as prescribed in the directions for casting an absentee ballot;*

*(b) In precincts with a permanent voter registration system, the voter is registered and eligible to vote in the precinct or has included a properly completed registration card in the return envelope or, in precincts with no permanent voter registration system, the address of the voter lies within the precinct; and*

*(c) The voter has not already voted at that election, either in person or by absentee ballot.*

*The return envelope from accepted ballots shall be preserved and returned to the county auditor with the voters' certificates.*

*If all or a majority of the election judges examining return envelopes find that an absent voter has failed to meet one of the requirements prescribed in clauses (a) to (c), they shall remove the ballot envelope from the return envelope, mark the ballot envelope "Rejected", initial or sign it below the word "Rejected", and place it back in the return envelope for return to the county auditor with the unused ballots.*

**Subd. 3. [NOTATION ON REGISTRATION CARD OR ELECTION REGISTER.]** *If the ballot envelope is marked with the word "Accepted", the election judges shall record the fact that the voter has voted by absentee ballot on the voter registration card or in the election register in precincts with no permanent voter registration. This shall be done by placing the letters "A.B." in the appropriate space on the card or register. After a registration card or election register has been marked to record that an individual has voted by absentee ballot, the individual shall not be allowed to vote in person at that election.*

**Subd. 4. [PLACEMENT IN CONTAINER; OPENING AND COUNTING OF BALLOTS.]** *The ballot envelopes marked "Accepted" shall be placed by the election judges in a separate absentee ballot container. The container and each ballot envelope may be opened only after the last regular mail delivery by the United States postal service on election day. The ballots shall then be initialed by the election judges in the same manner as ballots delivered by them to voters in person and shall be deposited in the appropriate ballot box.*

*If more than one ballot of any kind is enclosed in the ballot envelope, none of the ballots of that kind shall be counted but all ballots of that kind shall be returned in the manner provided by Article V, Section 25 for return of spoiled ballots.*

**Subd. 5. [ELECTRONIC VOTING SYSTEM PRECINCTS.]** *Paper absentee ballots delivered to the election judges in precincts which use an electronic voting system shall be counted in*

*the manner provided in this section. No duplicate ballot cards shall be prepared. The paper ballot vote totals for each candidate and on each question shall be added to the results obtained from the electronic tabulating equipment in each precinct.*

**Subd. 6. [EXCEPTION FOR MUNICIPALITIES WITH ABSENTEE BALLOT COUNTING BOARDS.]** *In municipalities with an absentee ballot counting board, the election judges in each precinct shall receive and process return envelopes and ballot envelopes as provided in this section except that the ballot envelopes marked "Accepted" shall be delivered in an absentee ballot container to the absentee ballot counting board for the counting of ballots as soon as possible after processing. The vote totals provided by the absentee ballot counting board shall be included in the vote totals on the summary statements of the returns for the precinct in which they were received.*

**Sec. 13. [203B.13] [ABSENTEE BALLOT COUNTING BOARDS.] Subdivision 1. [ESTABLISHMENT.]** *The governing body of any municipality may by ordinance authorize an absentee ballot counting board for the purpose of counting all absentee ballots cast in that municipality. The board shall consist of a sufficient number of election judges appointed as provided in Article IV, Sections 19 to 22.*

**Subd. 2. [DUTIES.]** *The absentee ballot counting board shall:*

*(a) Receive from each precinct in the municipality all ballot envelopes marked "Accepted" by the election judges;*

*(b) Open and count the absentee ballots, tabulating the vote in a manner that indicates each vote of the absentee voter and the total absentee vote cast for each candidate or question in each precinct; and*

*(c) Report the vote totals tabulated for each precinct.*

**Subd. 3. [COMPENSATION OF MEMBERS.]** *The city or town clerk shall pay a reasonable compensation to each member of the absentee ballot counting board for services rendered during each election.*

**Subd. 4. [APPLICABLE LAWS.]** *Except as otherwise provided by this section, all of the laws applicable to absentee ballots and absentee voters and all other provisions of the Minnesota election law shall apply to an absentee ballot counting board.*

**Sec. 14. [203B.14] [COUNTY AUDITOR OR MUNICIPAL CLERK MAY EMPLOY ADDITIONAL HELP.]** *Each county auditor and each municipal clerk may employ additional clerical assistance as necessary to discharge the responsibilities imposed on the county auditor or municipal clerk as provided in this article.*

**Sec. 15. [203B.15] [ADMINISTRATIVE EXPENSES.]** *Each county shall pay the expenses incurred by its county auditor and each municipality shall pay the expenses incurred by its clerk for administering the provisions of Article III, Sections 4 to 15.*

**Sec. 16. [203B.16] [ABSENT VOTERS IN THE MILITARY OR TEMPORARILY OUTSIDE THE UNITED STATES.]** *Subdivision 1. Article III, Sections 16 to 27 provide alternative voting procedures for eligible voters who are absent from the precinct where they maintain residence because they are:*

*(a) Either in the military or the spouses or dependents of individuals serving in the military; or*

*(b) Temporarily outside the territorial limits of the United States.*

*Subd. 2. Article III, Sections 16 to 27 provide the exclusive voting procedure for United States citizens who are living permanently outside the territorial limits of the United States who meet all the qualifications of an eligible voter except residence in Minnesota, but who are authorized by federal law to vote in Minnesota because they maintained residence in Minnesota for at least 20 days immediately prior to their departure from the United States. Individuals described in this subdivision shall be permitted to vote only for the offices of president, vice-president, senator in congress, and representative in congress.*

**Sec. 17. [203B.17] [APPLICATION FOR BALLOT.]** *Subdivision 1. An application for absentee ballots for a voter described in Article III, Section 16 may be submitted by that voter or by that voter's parent, spouse, sister, brother, or child over the age of 18 years. An application for a voter described in Article III, Section 16, Subdivision 1, shall be submitted to the county auditor of the county where the voter maintains residence. An application for a voter described in Article III, Section 16, Subdivision 2, shall be submitted to the county auditor of the county where the voter last maintained residence in Minnesota. An application for absentee ballots for a primary shall also constitute an application for absentee ballots for the ensuing general election. There shall be no limitation of time for filing and receiving applications for ballots under Article III, Sections 16 to 27.*

*Subd. 2. An application shall be accepted if it contains the following information stated under oath:*

*(a) The voter's name, birthdate, and present address of residence in Minnesota, or former address of residence in Minnesota if the voter is living permanently outside the United States;*

*(b) A statement indicating that the voter is in the military, or is the spouse or dependent of an individual serving in the military, or is temporarily outside the territorial limits of the United States, or is living permanently outside the territorial limits of the United States and voting under federal law;*

*(c) A statement that the voter expects to be absent from the precinct at the time of the election;*

*(d) The address to which absentee ballots are to be mailed;*

*(e) The voter's signature or the signature and relationship of the individual authorized to apply on the voter's behalf; and*

(f) *The signed statement of an individual authorized to administer oaths or a commissioned or non-commissioned officer of the military not below the rank of sergeant or its equivalent, certifying that the voter or other individual requesting absentee ballots has attested to the truthfulness of the contents of the application under oath.*

*A form for providing this information shall be prepared by each county auditor and shall be furnished to individuals who request it pursuant to this section.*

**Sec. 18. [203B.18] [FORWARDING APPLICATIONS.]** *If an application for absentee ballots under Article III, Sections 16 to 27, is received by the secretary of state or by any election official other than the proper county auditor described in Article III, Section 17, Subdivision 1, that official shall forward the application to the appropriate county auditor.*

**Sec. 19. [203B.19] [RECORDING APPLICATIONS.]** *Upon accepting an application, the county auditor shall record in a permanent register the voter's name, address of present or former residence in Minnesota, mailing address, and the category under Article III, Section 16, to which the voter belongs. After recording this information, the county auditor shall retain the application for two years after the date of the next general election. A voter whose name is recorded as provided in this section shall not be required to register under any other provision of law in order to vote under Article III, Sections 16 to 27.*

**Sec. 20. [203B.20] [CHALLENGES.]** *Except as provided in this section, the eligibility or residence of a voter whose application for absentee ballots is recorded under Article III, Section 19 may be challenged in the manner set forth by Article II, Section 22. The county auditor or municipal clerk shall not be required to serve a copy of the petition and notice of hearing on the challenged voter. All reasonable doubt shall be resolved in favor of the validity of the application. If the voter's challenge is affirmed, the county auditor shall provide the challenged voter with a copy of the petition and the decision and shall inform the voter of the right to appeal as provided in Article II, Section 22.*

**Sec. 21. [203B.21] [BALLOTS AND ENVELOPES.]** *Subdivision 1. Absentee ballots under Article II, Sections 16 to 27 shall conform to the requirements of the Minnesota election law, except that modifications in the size or form of ballots or envelopes may be made if necessary to satisfy the requirements of the United States postal service.*

**Subd. 2.** *Ballots and instructions for marking them shall be sent by first class mail to addresses within the continental United States and by air mail to addresses outside the continental United States. The ballot envelope and return envelope shall be marked "Official Ballot," and shall contain sufficient postage to assure proper return delivery. The return envelope shall be addressed to comply with any method for return of absentee ballots as authorized under Article III, Section 8, Subdivision 2.*

*Subd. 3. On the back of the return envelope an affidavit form shall appear with space for:*

*(a) The voter's address of present or former residence in Minnesota;*

*(b) A statement indicating the category described in Article III, Section 16 to which the voter belongs;*

*(c) A statement that the voter has not cast and will not cast another ballot in the same election or elections;*

*(d) A statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and*

*(e) The signature and certification of an individual authorized to administer oaths or a commissioned or non-commissioned officer of the military not below the rank of sergeant or its equivalent.*

*Subd. 4. No envelope, return envelope, or instruction to voters shall contain the name of an individual who appears as a candidate on any enclosed ballot.*

**Sec. 22. [203B.22] [MAILING BALLOTS.]** *The county auditor shall mail the appropriate ballots, as promptly as possible, to an absent voter whose application has been recorded under Article III, Section 19. If the county auditor determines that a voter is not eligible to vote at the primary but will be eligible to vote at the general election, only general election ballots shall be mailed. Only one set of ballots shall be mailed to any applicant for any election. Ballots to be sent outside the United States shall be given priority in mailing. A county auditor may make use of any special service provided by the United States government for the mailing of voting materials under Article III, Sections 16 to 27.*

**Sec. 23. [203B.23] [APPLICATION RECORDS; DELIVERY TO ELECTION JUDGES.]** *When election materials are transmitted to the town and city clerks as provided in Article IV, Section 28, Subdivision 2, the county auditor shall also transmit a certified copy of the record of applications compiled as provided in Article III, Section 19, for absentee ballots to be cast at that election in that town or city. A certified copy of the record of additional applications received by the county auditor after the ballots have been delivered shall also be delivered to the appropriate town or city clerk. Each town and city clerk shall in turn deliver to the election judges in the appropriate precincts the application records received from the county auditor.*

**Sec. 24. [203B.24] [DUTIES OF ELECTION JUDGES.]** *Subdivision 1. Upon receipt of an absentee ballot returned as provided in Article III, Sections 16 to 27, the election judges shall compare the voter's name with the names appearing on their copy of the application records to insure that the ballot is from a voter eligible to cast an absentee ballot under Article III, Sec-*

tions 16 to 27. Any discrepancy or disqualifying fact shall be noted on the envelope by the election judges. Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the affidavit on the return envelope is not properly executed. In all other respects the provisions of the Minnesota election law governing deposit and counting of ballots shall apply.

Subd. 2. The election judges shall compare the voter's name with the names appearing on their copy of the application records to insure that the voter has not already returned a ballot in the election. If a voter whose application has been recorded under Article III, Section 19 casts a ballot in person on election day, no absentee ballot shall be counted for that voter. If more than one return envelope is received from a voter whose application has been recorded under Article III, Section 19, the ballots in the return envelope bearing the latest date shall be counted.

Sec. 25. [203B.25] [DEATH OF VOTER; INDIVIDUALS VOTING UNDER SPECIAL ABSENTEE PROCEDURES.] If the election judges receive proof that a voter who has returned an absentee ballot as provided in Article III, Sections 16 to 27, has died before the time when voting is scheduled to begin on election day, the ballot of that voter shall be returned by the election judges with the rejected ballots. Notwithstanding the other provisions of this section, the counting of the absentee ballot of a deceased voter shall not invalidate the election.

Sec. 26. [203B.26] [SEPARATE RECORD.] A separate record of the ballots of absent voters cast under Article III, Sections 16 to 27 shall be kept in each precinct.

Sec. 27. [203B.27] [EXPENSE CHARGEABLE TO GENERAL REVENUE.] Expenses incurred by a county auditor to carry out the provisions of Article III, Sections 16 to 27 shall be paid by that county from its general revenue fund.

## ARTICLE IV

### ELECTIONS, GENERAL PROVISIONS

Section 1. [204B.01] [DEFINITIONS.] The definitions in Minnesota Statutes, Chapter 200 apply to this article.

Sec. 2. [204B.02] [APPLICATION.] This article applies to all elections held in this state, except school district elections and except as otherwise provided by law.

Sec. 3. [204B.03] [MANNER OF NOMINATION.] Candidates of a major political party for a partisan office and all candidates for nonpartisan office shall apply for a place on the primary ballot by filing an affidavit of candidacy as provided in Article IV, Section 6, and except as otherwise provided in Article VI, Section 7, Subdivision 3, shall be nominated by primary. Candidates for any partisan office who do not seek the nomination of a major political party shall be nominated by nominating petition as provided in Article IV, Sections 7 and 8, and shall file an affidavit of candidacy as provided in Article IV, Section 6.

**Sec. 4. [204B.04] [CANDIDACY; PROHIBITIONS.]** *Subdivision 1. [MAJOR PARTY CANDIDATES.] No individual shall be named on any ballot as the candidate of more than one major political party. No individual who has been certified by a canvassing board as the nominee of any major political party shall be named on any ballot as the candidate of any other major political party at the next ensuing general election.*

*Subd. 2. [CANDIDATES SEEKING NOMINATION BY PRIMARY.] No individual who seeks nomination for any partisan or nonpartisan office at a primary shall be nominated for the same office by nominating petition except as provided in Article VI, Section 10, Subdivision 2.*

*Subd. 3. [NOMINATION FOR NONPARTISAN OFFICE.] No individual shall be nominated by nominating petition for any nonpartisan office except in the event of a vacancy in nomination as provided in Article IV, Section 13.*

**Sec. 5. [204B.05] [WOMEN CANDIDATES; NAMES.]** *Any married woman, or widow who has not remarried, may use the title "Mrs." and the name or initials of her husband, or deceased husband, in stating her own name on an affidavit of candidacy or on a nominating petition filed pursuant to this article. The name as written on the affidavit or petition shall be used in designating the candidate on the official ballot.*

**Sec. 6. [204B.06] [FILING FOR PRIMARY; AFFIDAVIT OF CANDIDACY.]** *Subdivision 1. [FORM OF AFFIDAVIT.] An affidavit of candidacy shall state the name of the office sought and shall state that the candidate:*

*(a) Is an eligible voter;*

*(b) Has no other affidavit on file as a candidate for any other office at the same primary or next ensuing general election; and*

*(c) Is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which he seeks election for 30 days before the general election.*

*An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less.*

*Subd. 2. [MAJOR PARTY CANDIDATES.] A candidate who seeks the nomination of a major political party for a partisan office shall state on the affidavit of candidacy that he participated in that party's most recent caucus in the election precinct in which he maintained residence or that he intends to vote for a majority of that party's candidates at the next ensuing general election.*

*Subd. 3. [INDEPENDENT OR NONAFFILIATED CANDIDATES.] A candidate for any partisan office who does not seek the nomination of any major political party and whose political principle is expressed on a nominating petition using the word "independent" or any other word indicating nonaffiliation with*

any political party shall state on the affidavit of candidacy that the candidate did not seek, does not intend to seek and will not accept the support of any political party in that election.

Subd. 4. [PARTICULAR OFFICES.] Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(a) For United States senator, that the candidate will be 30 years of age or older and a citizen of the United States for not less than nine years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(b) For United States representative, that the candidate will be 25 years of age or older and a citizen of the United States for not less than seven years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(c) For governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(d) For supreme court justice or district court judge, that the candidate is learned in the law;

(e) For county or county municipal court judge or other judicial officer, that the candidate is qualified as prescribed by law;

(f) For senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have resided not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election.

Subd. 5. [UNITED STATES SENATOR; TWO CANDIDATES AT SAME ELECTION.] When two candidates are to be elected United States senators from this state at the same election, each individual filing for the nomination shall state in the affidavit of candidacy the term for which the individual desires to be a candidate, by stating the date of the expiration of the term.

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 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 district, county or county municipal court judge is deemed to hold a separate nonpartisan office.

Subd. 7. [GOVERNOR AND LIEUTENANT GOVERNOR.] An individual who files as a candidate for governor or lieutenant

*governor shall file the affidavit of candidacy jointly with the affidavit of another individual who seeks nomination as a candidate for the other office.*

**Sec. 7. [204B.07] [NOMINATING PETITIONS.] Subdivision 1. [FORM OF PETITION.]** *A nominating petition may consist of one or more separate pages each of which shall state:*

*(a) The office sought;*

*(b) The candidate's name and residence address, including street and number if any; and*

*(c) The candidate's political party or political principle expressed in not more than three words. No candidate who files for a partisan office by nominating petition shall use the term "nonpartisan" as a statement of his political principle or the name of his political party. A candidate who files by nominating petition to fill a vacancy in nomination for a nonpartisan office pursuant to Article IV, Section 13, shall not state any political principle or the name of any political party on the petition.*

**Subd. 2. [PETITIONS FOR PRESIDENTIAL ELECTORS.]** *On petitions nominating presidential electors, the names of the candidates for president and vice-president shall be added to the political party or political principle stated on the petition. One petition may be filed to nominate a slate of presidential electors equal in number to the number of electors to which the state is entitled.*

**Subd. 3. [NUMBER OF CANDIDATES NOMINATED.]** *No nominating petition shall contain the name of more than one candidate except a petition jointly nominating individuals for governor and lieutenant governor or nominating a slate of presidential electors.*

**Subd. 4. [OATH AND ADDRESS OF SIGNER.]** *Following the information required by subdivisions 1 and 2 and before the space for signing, each separate page that is part of the petition shall include an oath in the following form:*

*"I solemnly swear (or affirm) that I know the contents and purpose of this petition, that I do not intend to vote at the primary election for the office for which this nominating petition is made, and that I signed this petition of my own free will."*

*Notarization or certification of the signatures on a nominating petition is not required. After the name of each signer shall be written the signer's residence address including street and number, if any, and mailing address if different from residence address.*

**Subd. 5. [SAMPLE FORMS.]** *An official with whom petitions are filed shall make sample forms for nominating petitions available upon request.*

**Subd. 6. [PENALTY.]** *An individual who, in signing a nominating petition, makes a false oath is guilty of perjury.*

**Sec. 8. [204B.08] [SIGNING PETITIONS.]** *Subdivision 1. [TIME FOR SIGNING.] Nominating petitions shall be signed during the period when petitions may be filed as provided in Article IV, Section 9.*

*Subd. 2. [QUALIFICATIONS OF SIGNERS.] A nominating petition may be signed only by individuals who are eligible to vote for the candidate who is nominated. No individual may sign more than one nominating petition for candidates for the same office unless more than one candidate is to be elected to that office. If more than one candidate is to be elected to the office, an individual may sign as many petitions as there are candidates to be elected.*

*Subd. 3. [NUMBER OF SIGNATURES.] The number of signatures required on a nominating petition shall be as follows:*

*(a) For a state office voted on statewide or for United States senator, one percent of the total number of individuals voting in the state at the last preceding state general election, or 2,000, whichever is less;*

*(b) For a congressional or judicial district office, five percent of the total number of individuals voting in the district at the last preceding state general election, or 1,000, whichever is less;*

*(c) For a county or legislative office, ten percent of the total number of individuals voting in the county or legislative district at the last preceding state or county general election, or 500, whichever is less; and*

*(d) For a municipal office in a city of the first class, the number specified in Article VII, Section 8.*

**Sec. 9. [204B.09] [TIME AND PLACE OF FILING AFFIDAVITS AND PETITIONS.]** *Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. Candidates for presidential electors may file affidavits and petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in Article IV, Section 13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.*

*Subd. 2. [OTHER ELECTIONS.] Affidavits of candidacy and nominating petitions for city, town or other elective offices shall be filed during the time and with the official specified in Minnesota Statutes, Chapter 205 or other applicable law or charter.*

**Sec. 10. [204B.10] [AFFIDAVITS OF CANDIDACY; NOMINATING PETITIONS; DUTIES OF ELECTION OFFICIALS.]**

**Subdivision 1. [AFFIDAVITS OF CANDIDACY; NUMBERING.]** *The official with whom affidavits of candidacy are filed shall number them in the order received.*

**Subd. 2. [NOMINATING PETITIONS; ACKNOWLEDGEMENT; NUMBERING.]** *On the day a nominating petition is filed, the election official shall deliver or mail an acknowledgement of the petition to the individual who files it and to the candidate who is to be nominated. The election official shall also number the petitions in the order received. The petitions shall be retained as provided in Article IV, Section 40, and shall be available for public inspection during that period.*

**Subd. 3. [INSPECTION.]** *The official with whom nominating petitions are filed shall inspect the petitions in the order filed to verify that there are a sufficient number of signatures of individuals whose residence address as shown on the petition is in the district where the candidate is to be nominated.*

**Subd. 4. [CERTIFICATION.]** *The secretary of state shall certify to the county auditor of each county the names of all candidates nominated by petitions filed with the secretary of state. Certification shall be made at the same time as the secretary of state certifies the names of candidates who are nominated at the primary.*

**Sec. 11. [204B.11] [CANDIDATES; FILING FEES; PETITION IN PLACE OF FILING FEE.] 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;*

(b) *For the office of senator in congress, \$150;*

(c) *For office of senator or representative in the legislature, \$20; and*

(d) *For a county office, \$20.*

*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.*

**Subd. 2. [PETITION IN PLACE OF FILING FEE.]** *At the*

*time of filing an affidavit of candidacy, a candidate may present a petition in place of the filing fee. The petition may be signed by any individual eligible to vote for the candidate. A nominating petition filed pursuant to Article IV, Section 7 or Article IV, Section 13, Subdivision 4, is effective as a petition in place of a filing fee if the nominating petition includes a prominent statement informing the signers of the petition that it will be used for that purpose.*

*The number of signatures on a petition in place of a filing fee shall be as follows:*

*(a) For a state office voted on statewide or for United States senator, 2,000;*

*(b) For a congressional office, 1,000;*

*(c) For a county or legislative office, or for the office of district, county or county municipal judge, 500; and*

*(d) For any other office which requires a filing fee as prescribed by law, municipal charter or ordinance, the lesser of 500 signatures or five percent of the total number of votes cast in the municipality, ward or other election district at the preceding general election at which that office was on the ballot.*

*An official with whom petitions are filed shall make sample forms for petitions in place of filing fees available upon request.*

**Sec. 12. [204B.12] [WITHDRAWAL OF CANDIDATES.]**  
**Subdivision 1. [BEFORE PRIMARY.]** *A candidate may withdraw his name from the primary ballot by filing an affidavit of withdrawal with the same official who received the affidavit of candidacy. The affidavit shall request that official to withdraw the candidate's name from the ballot and shall be filed no later than six days after the last day for filing for the office.*

**Subd. 2. [AFTER PRIMARY.]** *Any candidate nominated at a primary or by a nominating petition may withdraw his name from the general election ballot by filing an affidavit of withdrawal with the official who received his affidavit of candidacy. The affidavit shall be filed not later than 35 days before the general election.*

**Subd. 3. [TIME FOR FILING.]** *An affidavit of withdrawal filed pursuant to subdivision 1 or 2 shall not be accepted later than 5:00 p.m. on the last day for withdrawal.*

**Sec. 13. [204B.13] [VACANCY IN NOMINATION.]**  
**Subdivision 1. [DEATH OR WITHDRAWAL.]** *A vacancy in nomination may be filled in the manner provided by this section. A vacancy in nomination exists when:*

*(a) A major political party candidate or nonpartisan candidate who was nominated at a primary dies, withdraws, or for any other reason ceases to be the nominated candidate for that office; or*

*(b) A candidate for a nonpartisan office, for which one or two*

*candidates filed, dies or withdraws after the last day for filing for that office.*

**Subd. 2. [PARTISAN OFFICE; NOMINATION BY PARTY COMMITTEE.]** *A vacancy in nomination of a major political party may be filled by filing a nomination certificate not later than four days before the general election with the same official who received the affidavits of candidacy for that office.*

*The nomination certificate shall be prepared under the direction of and executed by the chairman and secretary of the proper committee of that political party. The chairman and secretary when filing the certificate shall attach an affidavit stating that the newly nominated candidate has been selected by that committee and that the individuals signing the certificate and making the affidavit are the chairman and secretary of the committee.*

**Subd. 3. [PARTISAN OFFICE; NOMINATION OF NEXT HIGHEST CANDIDATE.]** *If there is no committee to fill a vacancy in nomination of a major political party as provided in subdivision 2, the vacancy shall be filled by the candidate who received the next highest number of votes at the primary for that office among candidates of that party. If a vacancy in nomination occurs in a nonpartisan office, the unnominated candidate who received the next highest number of votes at the primary for the office shall fill the vacancy.*

**Subd. 4. [PARTISAN OR NONPARTISAN OFFICE; FILLING VACANCY BY NOMINATING PETITIONS.]** *If a vacancy in nomination cannot be filled pursuant to subdivision 2 or 3, the vacancy shall be filled by nominating petition in the manner provided in Article IV, Sections 6 to 9. The petition shall be filed within one week after the vacancy in nomination occurs, but not later than four calendar days before the election.*

*An individual is eligible to sign a nominating petition to fill a vacancy in nomination without regard to whether that individual intends to vote or did vote for any candidate for that office at the primary or signed other nominating petitions for candidates for that office.*

**Sec. 14. [204B.14] [ELECTION PRECINCTS.]** *Subdivision 1. [BOUNDARIES.] The governing body of each municipality shall establish the boundaries of the election precincts in the municipality. The governing body of a county shall establish the boundaries of precincts in unorganized territory in the county. Except as provided in subdivision 3, a governing body may change the boundaries of any election precinct which it has established.*

**Subd. 2. [SEPARATE PRECINCTS; REQUIREMENTS.]** *The following shall constitute at least one election precinct:*

- (a) Each city ward; and*
- (b) Each town and each statutory city, unless a town and statutory city are combined for election purposes. Notwithstanding any law to the contrary, each town and each statutory city located within the metropolitan area as defined in Minnesota*

*Statutes, Section 473.121, Subdivision 2 shall constitute at least one election precinct.*

*Subd. 3. [BOUNDARY CHANGES; PROHIBITIONS; EXCEPTION.] During the period from January 1 in any year ending in seven to January 1 in any year ending in two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision. If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.*

*A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.*

*Subd. 4. [BOUNDARY CHANGE PROCEDURE.] Any change in the boundary of an election precinct shall be adopted at least 90 days before the date of the next election, and shall not take effect until notice of the change has been posted in the office of the municipal clerk or county auditor for at least 60 days. The municipal clerk or county auditor shall notify each affected registered voter of the change in election precinct boundaries at least 30 days prior to the first election held after the change takes effect.*

*Subd. 5. [PRECINCT BOUNDARIES; DESCRIPTION; MAPS.] Each municipal clerk shall prepare and file with the county auditor of each county in which the municipality is located, with the secretary of state and with the state demographer in the state planning agency maps showing the correct boundaries of each election precinct in the municipality. At least 30 days before any change in an election precinct or in a corporate boundary becomes effective, the municipal clerk shall prepare maps showing the new boundaries of the precincts and shall forward copies of these maps to the secretary of state, the appropriate county auditors and the state demographer. The clerk shall retain copies of the precinct maps for public inspection. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories in the same manner as provided for precincts in municipalities. For every election held in the municipality the election judges shall be furnished precinct maps as provided in article II, section 8, subdivision 6.*

*Subd. 6. [PRECINCT BOUNDARIES TO FOLLOW PHYSICAL FEATURES.] The boundaries of election precincts shall follow visible, clearly recognizable physical features. If it is not possible to establish the boundary between any two adjacent precincts along such features, the boundary around the two precincts combined shall be established to comply with the provisions of this subdivision. The maps required by subdivision 5 shall clearly indicate which boundaries do not follow visible, clearly recognizable physical features.*

*For the purposes of this subdivision, "visible, clearly recogniz-*

able physical feature" means a street, road, boulevard, parkway, river, stream, shoreline, drainage ditch, railway right-of-way, or any other line which is clearly visible from the ground. A street or other roadway which has been platted but not graded is not a visible, clearly recognizable physical feature for the purposes of this subdivision.

**Subd. 7. [APPLICATION TO MUNICIPALITIES.]** *Notwithstanding the provisions of Minnesota Statutes, Section 410.21, or any other law, ordinance or charter to the contrary, the provisions of subdivisions 1, 3 and 6 apply to all municipalities.*

**Sec. 15. [204B.15] [UNORGANIZED TERRITORY; ELECTION PRECINCTS.]** *A county board, at its meeting in either January or July, upon the petition of not less than ten eligible voters residing in unorganized territory more than ten miles from the polling place in any established precinct, shall establish a new election precinct. The board shall designate a polling place for the new precinct that is convenient for the individuals residing in it. No polling place designated under this section shall be located within ten miles of an existing polling place.*

**Sec. 16. [204B.16] [POLLING PLACES; DESIGNATION.]**  
**Subdivision 1. [AUTHORITY; LOCATION.]** *The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. The polling place for a precinct in a municipality shall be located within the boundaries of the precinct or within 1500 feet of one of those boundaries unless a single polling place is designated for a city pursuant to subdivision 2. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct.*

**Subd. 2. [SINGLE POLLING PLACE PERMITTED.]** *The governing body of any city of the third or fourth class having more than one precinct or of any city with territory in more than one county may by ordinance or resolution designate a single, centrally located polling place where all the voters of the city shall cast their ballots. A single board of election judges may be appointed to serve at this polling place. The number of election judges appointed shall be determined by considering the number of voters in the entire city as if they were voters in a single precinct. Separate ballot boxes shall be provided and separate returns made for each precinct in the city.*

**Subd. 3. [DESIGNATION EFFECTIVE UNTIL CHANGED.]** *The designation of a polling place pursuant to this section shall remain effective until a different polling place is designated for that precinct. No designation of a new or different polling place shall become effective less than 30 days prior to an election.*

**Subd. 4. [PROHIBITED LOCATIONS.]** *No polling place shall be designated in any place where intoxicating liquors or non-intoxicating malt beverages are served or in any adjoining room. No polling place shall be designated in any place in which sub-*

*stantial compliance with the requirements of this article cannot be attained.*

**Subd. 5. [ACCESS BY ELDERLY AND HANDICAPPED.]** *Each polling place shall be accessible to and usable by elderly and physically handicapped individuals. A polling place is deemed to be accessible and usable if it complies with the following standards:*

*(a) At least one set of doors shall have a minimum width of 31 inches if the doors must be used to enter or leave the polling place.*

*(b) Any curb adjacent to the main entrance to a polling place shall have curb cuts or temporary ramps.*

*(c) At least one set of stairs shall have a temporary handrail and ramp if stairs must be used to enter or leave the polling place.*

*(d) No barrier in the polling place shall impede the path of the physically handicapped to the voting booth.*

*A governing body shall designate as polling places only those places which meet the standards prescribed in this subdivision unless no available place within a precinct can be made accessible.*

**Sec. 17. [204B.17] [CHANGE OF POLLING PLACE BY ELECTION JUDGES.]** *When a designated polling place does not comply with the requirements of this article the election judges of that precinct, on or before the opening of the polls on election day and upon approval by the municipal clerk in municipalities or the county auditor in unorganized territory, shall procure a polling place which is as near the designated polling place as possible and which does comply with those requirements.*

*When a new polling place is procured by the election judges, they shall meet on election day at the original polling place where they shall fill any vacancies in their number, publicly announce the change in polling place to the voters who are present and post a notice of the change in a conspicuous place. Upon completing these duties the election judges shall adjourn to the new polling place, where they shall post a similar notice of the change in polling place. The election judges shall certify to the appropriate governing body the expenses incurred because of the change. These expenses shall be paid as part of the expenses of the election.*

**Sec. 18. [204B.18] [POLLING PLACES; EQUIPMENT.]** **Subdivision 1. [BOOTHES.]** *Each polling place shall contain a number of voting booths in proportion to the number of individuals eligible to vote in the precinct. Each booth shall be at least six feet high, three feet deep and two feet wide with a shelf at least two feet long and one foot wide placed at a convenient height for writing. The booth shall be provided with a door or curtain and shall be constructed so that a voter is free from observation while marking ballots. During the hours of voting, the booths shall be provided with instructions, a pencil, and other supplies*

*needed to mark the ballots. All ballot boxes, voting booths and election judges shall be in open public view in the polling place.*

*Subd. 2. [BALLOT BOXES.] Each polling place shall be provided with one ballot box for each kind of ballot to be cast at the election. The boxes shall be substantially the same color as the ballots to be deposited in them. Each box shall be of sufficient size and shall have a sufficient opening to receive and contain all the ballots likely to be deposited in it.*

**Sec. 19. [204B.19] [ELECTION JUDGES; QUALIFICATIONS.] Subdivision 1. [INDIVIDUALS QUALIFIED TO BE ELECTION JUDGES.]** *Any individual who is eligible to vote in an election precinct is qualified to be appointed as an election judge for that precinct subject to the provisions of this section. If an insufficient number of eligible voters maintaining residence in any precinct are willing and qualified to be appointed election judges for that precinct, the appointing authority may appoint as an election judge for that precinct any qualified individual who is eligible to vote in the territory under the jurisdiction of the authority which established the precinct.*

**Subd. 2. [INDIVIDUALS NOT QUALIFIED TO BE ELECTION JUDGES.]** *No individual shall be appointed as an election judge for any precinct if that individual:*

*(a) Is unable to read, write or speak the English language;*

*(b) Is the spouse, parent, child or sibling of any election judge serving in the same precinct or of any candidate at that election or of any member of the governing body of the municipality or county which established the precinct;*

*(c) Is a candidate at that election; or*

*(d) Is receiving compensation as an employee or officer of the United States, the state or any municipality or county in the state.*

**Subd. 3. [EXCEPTIONS.]** *Notwithstanding subdivision 2, clause (d), the following individuals may serve as election judges in municipalities with only one election precinct:*

*(a) Any town clerk, town treasurer or member of a town board; and*

*(b) Any city clerk or member of the city council of any statutory city.*

**Subd. 4. [ADDITIONAL QUALIFICATIONS PERMITTED; EXAMINATION.]** *The appointing authority may establish additional qualifications which are not inconsistent with the provisions of this section and which relate to the ability of an individual to perform the duties of an election judge. The appointing authority may examine any individual who seeks appointment as an election judge to determine whether the individual meets any qualification established under this section.*

**Subd. 5. [PARTY BALANCE REQUIREMENT.]** *No more*

than half of the election judges in a precinct may be members of the same major political party unless the election board consists of an odd number of election judges, in which case the number of election judges who are members of the same major political party may be one more than half the number of election judges in that precinct.

**Sec. 20. [204B.20] [ELECTION BOARD; CHAIRMAN; DUTIES.]** *The election judges appointed to serve in an election precinct shall constitute the election board for that precinct. The appointing authority shall designate one of the election judges in each precinct to serve as the chairman of the election board. The chairman shall assign specific duties to the election judges of that precinct as necessary or convenient to complete forms, obtain signatures, and perform all the other duties required of election judges.*

**Sec. 21. [204B.211] [APPOINTMENT OF ELECTION JUDGES.] Subdivision 1. [APPOINTMENT LISTS; DUTIES OF POLITICAL PARTIES AND COUNTY AUDITOR.]** *At least 65 days before any election for a partisan political office, the county or legislative district chairmen of each major political party, whichever is designated by the state party, shall prepare a list of eligible voters to act as election judges in each election precinct in the county or legislative district. The chairmen shall furnish the lists to the county auditor of the county in which the precinct is located.*

*At least 55 days before the date of the election, the county auditor shall furnish to the appointing authorities a list of the appropriate names for each election precinct in the jurisdiction of the appointing authority. Separate lists shall be submitted by the county auditor for each major political party.*

**Subd. 2. [APPOINTING AUTHORITY; POWERS AND DUTIES.]** *Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory shall be appointed by the county board. Appointments shall be made from lists furnished pursuant to subdivision 1 subject to the eligibility requirements and other qualifications established or authorized under Article IV, Section 19. If no lists have been furnished or if additional election judges are required after all listed names have been exhausted, the appointing authority may appoint any other individual to serve as an election judge subject to the same requirements and qualifications. The appointments shall be made at least 25 days before the election at which the election judges will serve.*

**Sec. 22. [204B.22] [ELECTION JUDGES; NUMBER REQUIRED.] Subdivision 1. [MINIMUM NUMBER REQUIRED.]** *A minimum of three election judges shall be appointed for each precinct. The appointing authorities may appoint election judges for any precinct in addition to the number required by this subdivision including additional election judges to count ballots after voting has ended.*

*Subd. 2. [ADDITIONAL ELECTION JUDGES IN PAPER BALLOT PRECINCTS.] In precincts using paper ballots, one election judge shall be appointed for each 150 votes cast in that precinct at the last similar election. At each state primary or state general election in precincts using paper ballots and in which more than 300 votes were cast at the last similar election, additional election judges shall be appointed to count the ballots and complete the returns in place of the election board that served while voting was taking place.*

**Sec. 23. [204B.23] [VACANCIES AMONG ELECTION JUDGES.]** *A vacancy on an election board occurs when any election judge who is a member of that board:*

*(a) Fails to arrive at the polling place within 30 minutes after the time when the polling place is scheduled to open;*

*(b) Becomes unable to perform the duties of the office after assuming those duties; or*

*(c) For any reason fails or refuses to perform the duties of the office as assigned by the chairman of the election board.*

*When a vacancy occurs, the remaining election judges of the precinct shall elect an individual to fill the vacancy subject to the provisions of Article IV, Section 19. When possible the election judges shall elect individuals who have been trained as election judges pursuant to Article IV, Section 25. The oath signed by the new election judge shall indicate that the new election judge was elected to fill a vacancy.*

**Sec. 24. [204B.24] [ELECTION JUDGES; OATH.]** *Each election judge shall sign the following oath before assuming the duties of the office:*

*"I . . . . . solemnly swear that I will perform the duties of election judge according to law and the best of my ability and will diligently endeavor to prevent fraud, deceit and abuse in conducting this election."*

*The oath shall be attached to the summary statement of the election returns of that precinct. If there is no individual present who is authorized to administer oaths, the election judges may administer the oath to each other.*

**Sec. 25. [204B.25] [TRAINING FOR ELECTION JUDGES.]**  
*Subdivision 1. [DUTIES OF COUNTY AUDITOR.] Each county auditor shall provide training for all election judges who are appointed to serve at any election to be held in the county. The county auditor shall also provide a procedure for emergency training of election judges elected to fill vacancies. The county auditor may delegate to a municipal election official the duty to provide training of election judges in that municipality.*

*Subd. 2. [RULES OF SECRETARY OF STATE.] The secretary of state shall adopt rules establishing a program for the*

*training of election judges by county auditors as required by this section.*

**Subd. 3. [TRAINED ELECTION JUDGES; NUMBER REQUIRED.]** *Each election precinct in which less than 100 individuals voted at the last state general election shall have at least two election judges who are members of different major political parties who have received training as required in this section. In every other election precinct, no individual may serve as an election judge who has not received training as required by subdivision 1.*

**Sec. 26. [204B.26] [ELECTION JUDGES; VIOLATIONS; PENALTIES.]** *Any individual who serves as an election judge in violation of any of the provisions of Article IV, Sections 19 to 25, is guilty of a misdemeanor.*

**Sec. 27. [204B.27] [DUTIES OF SECRETARY OF STATE.]**  
**Subdivision 1. [BLANK FORMS.]** *At least 15 days before every state election the secretary of state shall transmit to each county auditor a sufficient number of blank county abstract forms, affidavits of challenged voters, and any other blank forms that the secretary of state deems necessary for the conduct of the election.*

**Subd. 2. [ELECTION LAW AND INSTRUCTIONS.]** *The secretary of state shall prepare and publish a volume containing all state general laws relating to elections. The attorney general shall provide annotations to the secretary of state for this volume. On or before July 1 of every even numbered year the secretary of state shall furnish to the county auditors and municipal clerks sufficient copies of this volume so that each county auditor, municipal clerk and election precinct will have at least one copy. The secretary of state shall determine the manner in which the volume is distributed. The secretary of state may prepare and transmit to the county auditors and municipal clerks detailed written instructions for complying with election laws relating to the conduct of elections, conduct of voter registration and voting procedures.*

**Subd. 3. [INSTRUCTION POSTERS.]** *At least 15 days before every state election the secretary of state shall prepare and furnish to the county auditor of each county in which paper ballots are used, voter instruction posters printed in large type upon cards or heavy paper. The instruction posters shall contain the information needed to enable the voters to cast their paper ballots quickly and correctly. Two instruction posters shall be furnished for each precinct in which paper ballots are used.*

**Subd. 4. [PAMPHLETS.]** *The secretary of state may prepare and distribute to election officials pamphlets for voters containing impartial instructions relating to voter registration and election procedures.*

**Subd. 5. [CONFERENCES FOR COUNTY AUDITORS.]** *Before each state primary the secretary of state shall conduct conferences with county auditors to instruct them on the administration of election laws and the training of local election officials and election judges.*

**Sec. 28. [204B.28] [CLERKS; ELECTION SUPPLIES; DUTIES.]** *Subdivision 1. [TRAINING PROGRAM FOR ELECTION OFFICIALS.] Before each state primary, each county auditor shall conduct a training program for local election officials. The county auditor may require the municipal clerks and the chairmen of the election boards in the county to meet for this training program at a time and place set by the county auditor. The training program shall include instruction in election procedures and the duties of municipal clerks and election judges. The chairmen of the election boards shall be compensated by the municipalities for the incidental expenses incurred by them to attend a training program.*

*Subd. 2. [ELECTION SUPPLIES; DUTIES OF COUNTY AUDITORS AND CLERKS.] Except as otherwise provided for absentee ballots in Article IV, Section 35, Subdivision 4, the county auditor shall complete the preparation of the election materials for which he is responsible at least one week before every state primary and state general election. At any time after all election materials are available from the county auditor but not later than one week before the election each municipal clerk shall secure from the county auditor:*

*(a) The forms that are required for the conduct of the election;*

*(b) Any printed voter instruction materials furnished by the secretary of state;*

*(c) Any other instructions for election officers; and*

*(d) A sufficient quantity of the official ballots, ballot boxes, registers, registration files, envelopes for ballot returns, and other supplies and materials required for each precinct in order to comply with the provisions of the Minnesota election law. The county auditor may furnish the election supplies to the municipal clerks in the same manner as the supplies are furnished to precincts in unorganized territory pursuant to Article IV, Section 29, Subdivision 1.*

**Sec. 29. [204B.29] [ELECTION JUDGES; ELECTION SUPPLIES; DUTIES.]** *Subdivision 1. [SECURING ELECTION MATERIALS.] Before 9:00 p.m. on the day preceding an election, at least one election judge from each precinct in each municipality shall secure election registers or voter registration files, ballots, forms, envelopes and other required supplies from the municipal clerk or other legal custodian. The election judge shall deliver the materials to the polling place before the time when voting is scheduled to begin on election day. The county auditor shall send or deliver the election supplies enumerated in this section to the election judges in the precincts in unorganized territory. The election supplies may be sent by certified mail, parcel post, express mail or any other postal service providing assured delivery by no later than the day before the election. If the election supplies are delivered by any other means, they shall be delivered by no later than the day before the election.*

*Each precinct shall be furnished with 100 ballots of each kind for every 85 individuals who voted in that precinct at the last election for the same office or on similar questions, or with ballots of each kind in an amount at least ten percent greater than the number of votes which are reasonably expected to be cast in that precinct in that election, whichever supply of ballots is greater. No precinct shall be furnished with any ballots containing the name of any candidate who cannot properly be voted for in that precinct.*

*The election judges shall be responsible for the preservation of all election materials received by them until returned to the appropriate election officials after the voting has ended.*

**Subd. 2. [FAILURE OF ELECTION JUDGES TO SECURE MATERIALS.]** *If no election judge secures the election materials for a precinct in any municipality as provided in subdivision 1, the municipal clerk shall deliver them to an election judge for that precinct not later than the time when voting is scheduled to begin. The municipal clerk shall require the election judge accepting delivery of the election supplies to sign a receipt for them. The election judges of that precinct shall pay the expenses of delivery of the materials and shall be liable for the penalty provided by law for neglect of duty.*

**Sec. 30. [204B.30] [UNOFFICIAL BALLOTS.]** *When no official or substitute ballots are ready at the time when voting is scheduled to begin or if the supply is exhausted before the voting ends, the election judges shall contact the municipal clerk and, at his direction, shall prepare unofficial ballots, printed or written as nearly as practicable in the form of the official ballots, which ballots may be used until official or substitute ballots are available. When unofficial ballots are prepared and used in any precinct, the election judges shall note that fact on the summary statement of the returns for that precinct and specify the number of unofficial ballots that were cast.*

**Sec. 31. [204B.31] [COMPENSATION FOR ELECTION SERVICES.]** *The compensation for services performed under the Minnesota election law shall be as follows:*

*(a) To presidential electors from funds appropriated to the secretary of state for this purpose, \$35 for each day of attendance at the capitol and mileage for travel to and from the capitol in the amount allowed for state employees in accordance with rules adopted pursuant to Minnesota Statutes, Section 471.665, Subdivision 1;*

*(b) To individuals, other than county, city, or town employees during their normal work day, who are appointed by the county auditor to carry ballots to or from the county auditor's office, a sum not less than the prevailing Minnesota minimum wage for each hour spent in carrying ballots and mileage in the amount allowed for state employees in accordance with rules adopted pursuant to Minnesota Statutes, Section 471.665, Subdivision 1;*

*(c) To members of county canvassing boards, \$5 for each eight*

hours of service as members of the canvassing board and mileage in the amount allowed for state employees in accordance with rules adopted pursuant to Minnesota Statutes, Section 471.665, Subdivision 1; except that members of the county canvassing boards in counties with a population of 600,000 or more shall be paid \$12 for each eight hours of service and mileage as otherwise provided in this clause;

(d) To election judges serving in any city, an amount fixed by the governing body of the city, to election judges serving in unorganized territory, an amount fixed by the county board, and to election judges serving in towns, an amount fixed by the town board. An election judge who travels to pick up election supplies or to deliver election returns to the county auditor shall receive, in addition to other compensation authorized by this section, a sum not less than the prevailing Minnesota minimum wage for each hour spent performing these duties, plus mileage in the same amount as allowed for state employees pursuant to section 471.665, subdivision 1; and;

(e) To sergeants at arms, an amount for each hour of service performed at the direction of the election judges, fixed in the same manner as compensation for election judges.

**Sec. 32. [204B.32] [ELECTION EXPENSES; PAYMENT.]** The secretary of state shall pay the compensation for presidential electors, the cost of printing the white ballots, special federal white ballots, and the pink ballots, and all necessary expenses incurred by the secretary of state in connection with elections. The counties shall pay the compensation prescribed in Article IV, Section 31, Clauses (b) and (c), the cost of printing the canary ballots, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections. The municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections. All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

**Sec. 33. [204B.33] [NOTICE OF OFFICES TO BE FILLED AT STATE GENERAL ELECTION.]** Between June 1 and July 1 in each even numbered year, the secretary of state shall notify each county auditor of the offices to be voted for in that county at the next state general election for which candidates file with the secretary of state. The notice shall include the time and place of filing for those offices. Within ten days after notification by the secretary of state, each county auditor shall notify each municipal clerk in the county of all the offices to be voted for in the county at that election and the time and place for filing for those offices. The county auditors and municipal clerks shall promptly post a copy of that notice in their offices.

**Sec. 34. [204B.34] [NOTICE OF ELECTION.]** *Subdivision 1. [STATE ELECTIONS.] At least 15 days before any state primary or state general election the municipal clerk shall post in his office a notice stating the officers to be nominated or elected, the location of each polling place in the municipality, and the hours for voting. The county auditor shall post a similar notice in his office including information concerning any polling places in unorganized territory in the county. The governing body of a municipality or county may publish this notice in addition to posting it. Failure to give the notice required in this section shall not invalidate a state primary or state general election.*

*Subd. 2. [MUNICIPAL ELECTIONS.] Notice of municipal elections shall be given as provided in Minnesota Statutes, Sections 205.13, Subdivision 2; and 205.16, Subdivision 1.*

*Subd. 3. [JUDICIAL ELECTIONS.] When one or more justices of the supreme court or judges 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.*

**Sec. 35. [204B.35] [PREPARATION OF BALLOTS.]** *Subdivision 1. [APPLICATION.] All ballots for every election, except a school district election, shall be prepared in accordance with Article IV, Sections 35 to 44 and Article VI, except for voting machine ballots or as otherwise provided by law.*

*Subd. 2. [MANNER OF PREPARATION.] Ballots shall be prepared in a manner that enables the voters to understand which questions are to be voted upon and the identity and number of candidates to be voted for in each office and to designate their choices easily and accurately. The name of a candidate shall not appear on a ballot in any way that gives the candidate an advantage over his opponent except as otherwise provided by law.*

*Subd. 3. [NUMBER.] The official in charge of preparing ballots shall prepare a sufficient number of ballots:*

*(a) To fill applications of absentee voters; and*

*(b) To provide each precinct with a sufficient number of ballots of each kind as required by Article IV, Section 29, Subdivision 1.*

**Subd. 4. [ABSENTEE BALLOTS; PREPARATION; DELIVERY.]** *Ballots necessary to fill applications of absentee voters shall be prepared and delivered at least 15 days before the election to the officials who administer the provisions of Article III.*

**Sec. 36. [204B.36] [BALLOTS; FORM.]** *Subdivision 1. [TYPE.] All ballots shall be printed with black ink on paper of sufficient thickness to prevent the printing from being discernible from the back. All ballots of the same color shall be substantially uniform in style of printing, size, thickness and shade of color.*

*When the ballots of a particular color vary in shade, those used in any one precinct shall be of the same shade. All ballots shall be printed in easily readable type with suitable lines dividing candidates, offices, instructions and other matter printed on ballots. The name of each candidate shall be printed in capital letters. The same type shall be used for the names of all candidates on the same ballot.*

*Subd. 2. [CANDIDATES AND OFFICES.] The name of each candidate shall be printed at a right angle to the length of the ballot. At a general election the name of the political party or the political principle of each candidate for partisan office shall be printed above or below the name of the candidate, and the words "Nominated without party designation" shall be printed above or below the names of each candidate for nonpartisan office. The name of a political party or a political principle shall be printed in capital and lower case letters of the same type, with the capital letters at least one-half the height of the capital letters used for names of the candidates. At a general election, blank lines shall be printed below the name of the last candidate for each office, or below the title of the office if no candidate has filed for that office, so that a voter may write in the names of individuals whose names are not on the ballot. One blank line shall be printed for each officer of that kind to be elected. At a primary election, no blank lines shall be provided for writing in the names of individuals whose names do not appear on the primary ballot.*

*On the left side of the ballot at the same level with the name of each candidate and each blank line shall be printed a square in which the voter may designate his vote by a mark (X). Each square shall be the same size. Above the first name on each ballot shall be printed the words, "Put an (X) in the square opposite the name of each candidate you wish to vote for". At the same level with these words and directly above the squares shall be printed a small arrow pointing downward. Directly underneath the official title of each office shall be printed the words "Vote for one (or more, according to the number to be elected)".*

*Subd. 3. [QUESTION; FORM OF BALLOT.] When a question is to be submitted to a vote, a concise statement of the nature of the question shall be printed on the ballot. The words, "YES" and "NO" shall be printed to the left of this statement, with a square to the left of each word so that the voter may indicate by a mark (X) either a negative or affirmative vote. The ballot shall include instructions directing the voter to put an (X) in the square before the word "YES" if the voter desires to vote for the question, or to put an (X) before the word "NO" if the voter desires to vote against the question.*

*Subd. 4. [JUDICIAL CANDIDATES.] The official ballot shall contain the names of all candidates for each judicial office and shall state the number of those candidates for whom a voter may vote. The title of each judicial office shall be printed on the official primary and general election ballot as follows:*

*(a) In the case of the supreme court:*

*"For the office of associate (or chief) justice of the supreme court to which (name of justice).....was elected for the regular term" or "to which (name of justice)..... was appointed";*

*(b) In the case of the district court:*

*"For the office of judge of the district court of the (number) .....judicial district to which (name of judge)..... was elected for the regular term" or "to which (name of judge) .....was appointed"; or*

*(c) In the case of the county court:*

*"For the office of judge of the county court of the county (or counties) of.....to which (name of judge)..... was elected for the regular term" or "to which (name of judge) .....was appointed".*

*For voting machine ballots on which the statements required by this subdivision cannot be printed because of length, the title of each judicial office shall be printed as follows:*

*"Successor to (name)....., elected (or appointed)".*

**Subd. 5. [DESIGNATION OF INCUMBENT; JUDICIAL OFFICES.]** *If a chief justice, associate justice, or judge is a candidate to succeed himself, the word "incumbent" shall be printed after his name as a candidate.*

*At least 55 days before the date of the election, the county auditor shall furnish to the appointing authorities a list of the appropriate names for each election precinct in the jurisdiction of the appointing authority. Separate lists shall be submitted by the county auditor for each major political party.*

**Sec. 37. [204B.37] [BACK OF BALLOT.]** *On the back of all ballots shall be printed the words "Official Ballot", the date of the election and lines for the initials of at least two election judges. The words shall be printed so that they will be visible when the ballot is properly folded for deposit in the ballot box. A horizontal dotted line or lines shall be printed on the back of each ballot along with advice to the voter to fold along the dotted lines as indicated.*

**Sec. 38. [204B.38] [NAMES ON BALLOTS; IDENTICAL DESCRIPTIVE WORDS.]** *When the similarity of surnames of two or more candidates for the same office at the same election may cause confusion to voters, up to three additional words may be printed on the ballot after each surname to indicate the candidate's occupation, office, residence or any combination of them if the candidate furnishes the identifying words to the filing officer by the last day for withdrawal of candidacy.*

**Sec. 39. [204B.39] [SUBSTITUTE BALLOTS.]** *If a sufficient number of official ballots are not delivered or if the official ballots are stolen or destroyed and a sufficient number of official*

ballots cannot be procured, the official in charge of preparing the official ballots shall prepare substitute ballots in the form prescribed by this section. The substitute ballots shall be prepared in the same form as official ballots as far as practicable. The word "Substitute" shall be printed in brackets immediately above the words "Official Ballot". When the substitute ballots are delivered to the municipal clerks or election judges they shall be accompanied by an initialed affidavit of the officer preparing them. The affidavit shall state that the substitute ballots have been prepared and furnished in the manner prescribed by this section and shall state the reason why sufficient official ballots were not ready for delivery. The election judges shall include this affidavit with the election returns from that precinct.

Sec. 40. [204B.40] [BALLOTS; ELECTION RECORDS AND OTHER MATERIALS; DISPOSITION.] The county auditors and municipal clerks shall retain all election materials returned to them after any election for at least one year from the date of that election. All election materials involved in a contested election shall be retained for one year or until the contest has been finally determined, whichever is later. Abstracts filed by canvassing boards shall be retained permanently by any officer with whom those abstracts are filed. Election materials no longer required to be retained pursuant to this section shall be disposed of in accordance with Minnesota Statutes, Sections 138.163 to 138.21.

Sec. 41. [204B.41] [VACANCY IN NOMINATION; CHANGING BALLOTS.] When a vacancy in nomination is filled pursuant to Article IV, Section 13, after the ballots have been printed, the officer in charge of preparing the ballots shall prepare and distribute a sufficient number of separate paper ballots which shall be headed with the words "OFFICIAL SUPPLEMENTAL BALLOT". This ballot shall contain the title of the office for which the vacancy in nomination has been filed and the names of all the candidates nominated for that office. The ballot shall conform to the provisions governing the printing of other official ballots as far as practicable. The title of the office and the names of the candidates for that office shall be blotted out or stricken from the regular ballots by the election judges. The official supplemental ballot shall be given to each voter when he is given the regular ballot or is directed to the voting machine. Regular ballots shall not be changed nor shall official supplemental ballots be prepared as provided in this section during the three calendar days before an election. Absentee ballots that have been mailed prior to the preparation of official supplemental ballots shall be counted in the same manner as if the vacancy had not occurred. Official supplemental ballots shall not be mailed to absent voters to whom ballots were mailed before the official supplemental ballots were prepared.

Sec. 42. [204B.42] [PAPER COLOR FOR SAMPLE BALLOTS.] No sample ballot shall be printed on paper of the same color as any official ballots except when printed in black ink on white paper and appearing in a newspaper as news matter. A violation of this section is a misdemeanor.

**Sec. 43. [204B.43] [UNLAWFUL PRINTING OR DISTRIBUTION OF BALLOTS; PENALTY.]** *Every person authorized or employed to print official ballots who knowingly gives or delivers those ballots to, or knowingly permits them to be taken by, any person other than the official under whose direction they are being printed, or who knowingly prints any ballot or causes or permits any ballot to be printed in a form other than that prescribed by law, or with any other names on it, or with the names of candidates or the titles of offices arranged or the names of candidates spelled in any way other than that authorized and directed by that official, is guilty of a felony.*

**Sec. 44. [204B.44] [ERRORS AND OMISSIONS; REMEDY.]**  
**Subdivision 1.** *Any individual may file a petition in the manner provided in this subdivision for the correction of any of the following errors, omissions or wrongful acts which have occurred or are about to occur:*

(a) *An error or omission in the placement or printing of the name or description of any candidate on any official ballot;*

(b) *Any other error in preparing or printing any official ballot;*

(c) *Failure of the chairman or secretary of the proper committee of a major political party to execute or file a certificate of nomination;*

(d) *Any wrongful act, omission, or error of any election judge, municipal clerk, county auditor, canvassing board or any of its members, the secretary of state, or any other individual charged with any duty concerning an election.*

*The petition shall describe the error, omission or wrongful act and the correction sought by the petitioner. The petition shall be filed with any judge of the supreme court in the case of an election for state or federal office or any judge of the district court in that county in the case of an election for county or municipal office. The petitioner shall serve a copy of the petition on the officer, board or individual charged with the error, omission or wrongful act, and on any other party as required by the court. Upon receipt of the petition the court shall immediately set a time for a hearing on the matter and order the officer, board or individual charged with the error, omission or wrongful act to correct the error or wrongful act or perform the duty or show cause why he should not do so. The court shall issue its findings and a final order for appropriate relief as soon as possible after the hearing. Failure to obey the order is contempt of court.*

## ARTICLE V

### ELECTION DAY ACTIVITIES

**Section 1. [204C.01] [DEFINITIONS.]** *The definitions in Minnesota Statutes, Chapter 200 apply to this article.*

**Sec. 2. [204C.02] [APPLICATION.]** *This article applies to all elections held in this state, except school district elections and except as otherwise provided by law.*

**Sec. 3. [204C.03] [PUBLIC MEETINGS PROHIBITED ON ELECTION DAY.]** *Subdivision 1. [SCHOOL DISTRICTS; COUNTIES; MUNICIPALITIES.] No school board, county board of commissioners, city council, or town board of supervisors shall conduct a meeting between 6:00 p.m. and 8:00 p.m. on the day that an election is held within the boundaries of the school district, county, city or town.*

*Subd. 2. [STATE UNIVERSITIES AND COMMUNITY COLLEGES.] Except for regularly scheduled classes, no state university or state community college shall schedule an event between 6:00 p.m. and 8:00 p.m. on the day that an election is held in any political subdivision in which the university or college is located.*

*Subd. 3. [PUBLIC ELEMENTARY AND SECONDARY SCHOOLS.] Except for regularly scheduled classes, no public elementary or secondary school shall schedule a school sponsored event between 6:00 p.m. and 8:00 p.m. on the day that an election is held in any political subdivision located in that school district.*

**Sec. 4. [204C.04] [EMPLOYEES; TIME OFF TO VOTE.]** *Every employee who is eligible to vote at a state general election or at an election to fill a vacancy in the office of United States senator or United States representative has the right to be absent from work for the purpose of voting during the morning of election day, without penalty or deduction from salary or wages because of the absence. An employer who refuses, abridges or interferes with this right shall be subject to the penalty provisions of Article VII, Section 22.*

**Sec. 5. [204C.05] [STATE ELECTIONS; HOURS FOR VOTING.]** *Subdivision 1. [OPENING AND CLOSING TIMES.] Except as otherwise provided in this section, at the state primary and the state general election the hours for voting in every precinct in the state shall begin at 7:00 a.m. and shall extend continuously until 8:00 p.m. By resolution adopted 30 days before the state primary or state general election, the governing body of a municipality of less than 1,000 inhabitants, located entirely outside the metropolitan area as defined in Minnesota Statutes, Section 473.121, Subdivision 2, may fix a later time for voting to begin. If a later time is established, it shall not be later than 9:00 a.m. for the state general election, nor later than 5:00 p.m. for a state primary. A resolution adopted pursuant to this subdivision shall be effective for all ensuing state primaries or state general elections until revoked.*

*Subd. 2. [VOTERS IN LINE AT CLOSING.] At or before the hour when voting is scheduled to begin, the election judges shall agree upon the standard of time they will use to determine when voting will begin and end. Voting shall not be allowed after the time when it is scheduled to end, unless individuals are waiting in the polling place or waiting in line at the door to register or to vote. The voting shall continue until those individuals have been allowed to vote. No individual who comes to the polling place or to a line outside the polling place after the time when voting is scheduled to end shall be allowed to vote.*

**Sec. 6. [204C.06] [CONDUCT IN AND NEAR POLLING PLACES.]** *Subdivision 1. [LINGERING NEAR POLLING PLACE.] An individual shall be allowed to go to and from the polling place for the purpose of voting without unlawful interference. No voters or other individuals shall congregate in any number within 100 feet of a polling place. No one except an election official or an individual who is waiting to register or to vote shall stand within 50 feet of the entrance to a polling place.*

*Subd. 2. [INDIVIDUALS ALLOWED IN POLLING PLACE.] Representatives of the secretary of state's office, the county auditor's office, and the municipal clerk's office may be present at the polling place to observe election procedures. Except for these representatives, election judges, sergeants-at-arms, and challengers, an individual may remain inside the polling place during voting hours only while voting or registering to vote, providing proof of residence for an individual who is registering to vote, or assisting a physically handicapped voter or a voter who is unable to read English. During voting hours no one except individuals receiving, marking, or depositing ballots shall approach within six feet of a voting booth, unless lawfully authorized to do so by an election judge.*

*Subd. 3. [DAMAGING OR REMOVING ELECTION MATERIALS; GROSS MISDEMEANORS.] No individual shall intentionally:*

*(a) Tear down, mutilate, deface or otherwise damage during the hours of voting any voter instruction poster placed inside or outside of a polling place by an election judge or other election official; or*

*(b) Remove from the polling place before the time for voting ends any ballots prepared for use at the election or any supplies or conveniences placed in voting booths for use by the voters, except as authorized by law.*

*A violation of this subdivision is a gross misdemeanor.*

*Subd. 4. [DAMAGING OR REMOVING ELECTION MATERIALS; FELONIES.] No individual shall intentionally:*

*(a) Remove from a polling place any election file or election register, except as authorized by law;*

*(b) Damage, deface, or mutilate any ballot, election file or election register or any item of information contained on it, except as authorized by law; or*

*(c) Add anything to a ballot, election file or election register, except as authorized by law.*

*A violation of this subdivision is a felony.*

*Subd. 5. [SERGEANT-AT-ARMS.] The election judges may appoint a sergeant-at-arms when necessary to keep the peace or otherwise to assist them. An election judge may request a sergeant-at-arms or a peace officer to arrest or remove from the polling place any individual who, despite a warning to desist, engages in*

*disorderly conduct. A sergeant-at-arms or a peace officer shall not otherwise interfere in any manner with voters.*

*Subd. 6. [PEACE OFFICERS.] Except when summoned by an election judge to restore the peace or when voting or registering to vote, no peace officer shall enter or remain in a polling place or stand within 50 feet of the entrance of a polling place.*

*Subd. 7. [USE OF INTOXICATING LIQUOR; PROHIBITION; PENALTY.] During the time an election is being held it is a misdemeanor to bring intoxicating liquor or non-intoxicating malt liquor into a polling place, to drink intoxicating liquor or non-intoxicating malt liquor in a polling place, or to be intoxicated in a polling place. The election judges shall not permit an obviously intoxicated individual to vote or remain in the polling place for any purpose.*

*Sec. 7. [204C.07] [CHALLENGERS.] Subdivision 1. [PARTISAN ELECTIONS.] At an election to fill partisan offices, the chairman of an authorized committee of each major political party may appoint by written certificate voters from that political party to act as challengers of voters at the polling place for each precinct. Only one challenger from each major political party for each precinct shall be allowed to remain in the polling place at one time.*

*Subd. 2. [NONPARTISAN ELECTIONS.] At an election to fill nonpartisan offices, each nonpartisan candidate may appoint by written certificate voters to act as challengers of voters at the polling place for each precinct. Only one challenger for each candidate shall be allowed to remain in the polling place for each precinct at one time.*

*Subd. 3. [ELECTIONS ON A QUESTION.] At an election where a question is to be voted upon, the mayor of a city or the board of supervisors of a town, upon receiving a written petition signed by at least 25 eligible voters, shall appoint by written certificate one voter for each precinct in the municipality to act as a challenger of voters in the polling place for that precinct.*

*Subd. 4. [RESTRICTIONS ON CONDUCT.] The election judges shall permit challengers appointed pursuant to this section to be present in the polling place during the hours of voting and to remain there until the votes are counted and the results declared. No challenger shall handle or inspect registration cards, files, or lists. Challengers shall not prepare in any manner any list of individuals who have or have not voted. They shall not attempt to influence voting in any manner. They shall not converse with a voter except to determine, in the presence of an election judge, whether the voter is eligible to vote in the precinct.*

*Sec. 8. [204C.08] [OPENING OF POLLING PLACES.] Subdivision 1. [DISPLAY OF FLAG.] Upon their arrival at the polling place on the day of election, the election judges shall cause the national flag to be displayed on a suitable staff at the entrance to the polling place. The flag shall be displayed continuously during the hours of voting. The election judges shall receive no compen-*

sation for any time during which they wilfully fail to display the flag as required by this subdivision.

**Subd. 2. [POSTING OF VOTING INSTRUCTIONS.]** Before the hours for voting are scheduled to begin, the election judges shall post any official voter instruction posters furnished to them in a conspicuous location or locations in the polling place.

**Subd. 3. [LOCKING OF BALLOT BOXES.]** Immediately before the time when voting is scheduled to begin, one of the election judges shall open the ballot boxes in the presence of the individuals assembled at the polling place, turn the boxes upside down to empty them, lock them, and deliver the key to another election judge. The boxes shall not be reopened except to count the ballots after the hours for voting have ended and all voting has been concluded. The boxes shall be kept in public view at all times during voting hours. After locking the ballot boxes, the election judges shall proclaim that voting may begin, and shall post outside the polling place conspicuous written or printed notices of the time when voting is scheduled to end.

**Subd. 4. [BALLOT BOXES, BOX-CAR SEALS.]** The governing body of a municipality by resolution may direct the municipal clerk to furnish a box-car seal for each ballot box in place of a lock and key. Each seal shall consist of a numbered metal strap with a self-locking device securely attached to one end of the strap so that the other end may be inserted and securely locked in the seal.

**Sec. 9. [204C.09] [BALLOT PREPARATION BY ELECTION JUDGES.]** Subdivision 1. [INITIALLING.] Before the voting begins, or as soon as possible after it begins, at least two election judges shall each initial the backs of all the ballots. The election judges shall not otherwise mark the ballots.

**Subd. 2. [DISTRIBUTION PROCEDURE.]** Official ballots shall be distributed only in the room containing the voting booths and only to individuals who are about to vote, except as otherwise provided in Article V, Section 15, Subdivision 2. No official ballots shall be distributed to a voter unless it has been initialed by the election judges as provided in subdivision 1.

**Sec. 10. [204C.10] [PERMANENT REGISTRATION; COMPLETION OF VOTER CERTIFICATES; VERIFICATION OF REGISTRATION.]** In election precincts with a permanent registration system, an individual seeking to vote shall print his name and address on a certificate which states that the individual is registered and will be voting only in that precinct. The individual shall then sign the certificate.

An election judge shall compare the signature on the voter's certificate with the signature as it appears on the duplicate registration card. If the election judge is satisfied that the signatures are the same, the election judge shall initial the certificate and record the fact of voting on the back of the duplicate registration card. The initialed certificate shall be handed to the voter, who

*shall deliver it to the election judge in charge of ballots as proof of the right to vote.*

**Sec. 11. [204C.11] [PRECINCTS WITHOUT PERMANENT REGISTRATION; ELECTION REGISTER.] Subdivision 1. [ELECTION REGISTERS; FORM.]** *Two election registers shall be provided for each election precinct without a permanent registration system by the county auditor in unorganized territory or the municipal clerk in a municipality. Two election judges shall have charge of them, each using one election register as provided in this section. Each election register shall be headed by the name of the precinct, and shall contain one column headed "Name of Voter," one headed "Residence," one headed "Address of Most Recent Prior Registration" and one headed "Remarks". Each election register shall contain the names of the voters in alphabetical order according to the first letter of their surnames. Names beginning with the same letter of the alphabet shall be grouped together with not more than one group on each page. The names in each group shall be separately numbered beginning with the numeral "1".*

**Subd. 2. [EVIDENCE OF ELIGIBILITY TO VOTE.]** *In election precincts without a permanent registration system, an individual seeking to vote shall give his first and last name, middle initial, street or route, city and county of residence and the address of most recent prior registration to the election judges in charge of the election registers. The individual shall also give the election judges sufficient evidence to satisfy them that he maintains residence in the precinct and shall state under oath that he is at least 18 years of age and has been a resident of the state for at least 20 days immediately preceding the election. An individual who refuses to provide the information required by this subdivision shall not be allowed to vote.*

**Subd. 3. [ENTRIES IN ELECTION REGISTERS.]** *When the election judges in charge of the election registers are satisfied that an individual is eligible to vote in that precinct, they shall enter the individual's name, residence and address of most recent prior registration in the proper place in the election registers.*

**Sec. 12. [204C.12] [CHALLENGES TO VOTERS; PENALTY.] Subdivision 1. [MANNER OF CHALLENGING.]** *An election judge shall, and an authorized challenger or other voter may, challenge an individual whom he knows or reasonably believes is not an eligible voter.*

**Subd. 2. [STATEMENT OF GROUNDS; OATH.]** *The challenger shall state the ground for the challenge, and an election judge shall administer to the challenged individual the following oath:*

*"Do you solemnly swear that you will fully and truly answer all questions put to you concerning your eligibility to vote at this election?"*

*The election judge shall then ask the challenged individual*

sufficient questions to test that individual's residence and right to vote.

**Subd. 3. [DETERMINATION OF RESIDENCE.]** In determining the legal residence of a challenged individual, the election judges shall be governed by the principles contained in Article I, Section 4. If the challenged individual's answers to the questions show that he is not eligible to vote in that precinct, he shall not be allowed to vote. If the individual has marked ballots but not yet deposited them in the ballot boxes before the election judges determine that he is not eligible to vote in that precinct, the marked ballots shall be placed unopened with the spoiled ballots. If the answers to the questions fail to show that the individual is not eligible to vote in that precinct and the challenge is not withdrawn, the challenged individual shall sign an affidavit stating that he is a citizen of the United States; is 18 years of age; is an actual resident of that precinct; is an eligible voter in that precinct; and has not already voted at that election.

After signing the affidavit, the challenged individual shall be allowed to vote.

**Subd. 4. [REFUSAL TO ANSWER QUESTIONS OR SIGN AFFIDAVIT.]** A challenged individual who refuses to answer questions or sign an affidavit as required by this section shall not be allowed to vote. No challenged individual who leaves the polling place and returns later willing to answer questions or sign an affidavit shall be allowed to vote. In precincts without voter registration the name of the individual shall not be entered or allowed to remain on the election register.

**Subd. 5. [ELECTION JUDGES; PENALTIES.]** An election judge who fails to carry out the duties prescribed by this section is guilty of a gross misdemeanor.

**Sec. 13. [204C.13] [RECEIVING AND MARKING BALLOTS.]** **Subdivision 1. [HANDING BALLOT TO VOTER.]** When the election judges are satisfied that an individual is eligible to vote in that precinct, the election judge in charge of the ballots shall give the voter only one ballot of each kind that is to be voted upon at that precinct. Each ballot shall be removed separately as needed for each voter from the previously initialled pile of ballots.

**Subd. 2. [VOTING BOOTHS.]** One of the election judges shall explain to the voter the proper method of marking and folding the ballots. Except as otherwise provided in Article V, Section 15, the voter shall retire alone to an unoccupied voting booth and mark the ballots without undue delay. The voter may take sample ballots into the booth to assist in voting. The election judges may adopt and enforce reasonable rules governing the amount of time a voter may spend in the voting booth marking ballots.

**Subd. 3. [MARKING BALLOTS.]** The voter shall mark each ballot in the following manner:

(a) A mark (X) shall be placed in the square opposite the printed name of each candidate for whom the individual desires to vote, and in the square before the "YES" or "NO" if the individual desires to vote for or against a question.

(b) The voter may write in other names on the lines provided under the printed names of the candidates, except that no names shall be written in on primary ballots.

(c) At a state primary an individual may vote for candidates of only one major political party on the partisan primary ballot. If a partisan primary ballot contains votes for the candidates of more than one major political party, the ballot is totally defective and no vote on the ballot shall be counted.

(d) An individual who spoils a ballot may return it to the election judges and receive another.

**Subd. 4. [FOLDING BALLOTS.]** After marking the ballots, the voter shall fold each of them separately to conceal the face and all marks on it, and to expose only the initials of the election judges on the back of the ballot.

**Subd. 5. [DEPOSIT OF BALLOTS IN BALLOT BOXES.]** The voter shall then withdraw from the voting booth with the ballots and hand them to the election judge in charge of the ballot boxes. That election judge shall immediately deposit each ballot in the proper box. Ballots that have not been initialled by the election judges as provided in Article V, Section 9, shall not be deposited in the ballot box.

**Subd. 6. [CHALLENGE OF VOTER; TIME LIMITS; DISPOSITION OF BALLOTS.]** At any time before the ballots of any voter are deposited in the ballot boxes, the election judges or any individual who was not present at the time the voter procured the ballots, but not otherwise, may challenge the eligibility of that voter and the deposit of any received absentee ballots in the ballot boxes. The election judges shall determine the eligibility of any voter who is present in the polling place in the manner provided in Article V, Section 12, and if the voter is found to be not eligible to vote, shall place the ballots of that voter unopened among the spoiled ballots. The election judges shall determine whether to receive or reject the ballots of an absent voter and whether to deposit received absentee ballots in the ballot boxes in the manner provided in Article III, Sections 12, 24 and 25, and shall dispose of any absentee ballots not received or deposited in the manner provided in Article III, Section 12. A violation of this subdivision by an election judge is a gross misdemeanor.

**Subd. 7. [LEAVING THE POLLING PLACE.]** An individual who has voted or whose ballot has been rejected shall leave the polling place and shall not return except as provided by Article V, Section 6 or 7.

**Sec. 14. [204C.14] [UNLAWFUL VOTING; PENALTIES]**  
No individual shall intentionally:

(a) *Misrepresent his identity in applying for a ballot, depositing a ballot in a ballot box or attempting to vote by means of a voting machine or electronic voting system;*

(b) *Vote more than once at the same election;*

(c) *Put a ballot in a ballot box for any illegal purpose;*

(d) *Give more than one ballot of the same kind and color to an election judge to be placed in a ballot box;*

(e) *Aid, abet, counsel or procure another to go into any precinct for the purpose of voting in that precinct, knowing that the other individual is not eligible to vote in that precinct; or*

(f) *Aid, abet, counsel or procure another to do any act in violation of this section.*

*A violation of this section is a felony.*

**Sec. 15. [204C.15] [ASSISTANCE TO VOTERS.]** *Subdivision 1. [INTERPRETERS; PHYSICAL ASSISTANCE IN MARKING BALLOTS.] A voter who states under oath that he is in need of assistance because he cannot read English or is physically unable to mark a ballot may obtain the aid of two election judges who are members of different major political parties. The election judges shall mark the ballots as directed by the voter and in as secret a manner as circumstances permit. If the voter cannot speak English or understand it when it is spoken, the election judges may select two individuals who are members of different major political parties to act as interpreters. The interpreters shall take an oath similar to that taken by election judges, and shall assist the individual in marking the ballots. A voter in need of assistance may alternatively obtain the assistance of a voter of the same precinct who, unaccompanied by an election judge, shall retire with that voter to a booth and mark the ballot as directed by the voter. No voter who assists another voter as provided in the preceding sentence shall mark the ballots of more than three voters at one election. Before the ballots are deposited, the voter may show them privately to an election judge to ascertain that they are marked as the voter directed. An election judge or other individual assisting a voter shall not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. The election judges or other individuals who assist the voter shall not reveal to anyone the name of any candidate for whom the voter has voted or anything that took place while assisting the voter.*

**Subd. 2. [OUTSIDE THE POLLING PLACE.]** *An individual who is unable to enter a polling place where paper ballots or an electronic voting system are used may register and vote without leaving his motor vehicle. Two election judges who are members of different major political parties shall assist the voter to register and to complete a voter's certificate and shall provide the necessary ballots. The voter may request additional assistance in marking ballots as provided in subdivision 1.*

**Subd. 3. [VOTING LINES.]** *In all polling places two election judges shall assist a disabled voter to enter the polling place and go through the registration and voting lines. The voter may also request the assistance of election judges or any other individual in marking ballots, as provided in subdivision 1.*

**Sec. 16. [204C.16] [MISMARKING BALLOTS; DISCLOSURE OF MARKINGS BY OTHERS.]** *An election judge or other individual who marks the ballot of any voter, except as authorized by law and as directed by the voter, or who informs anyone other than the voter how the ballot was marked, is guilty of a gross misdemeanor.*

**Sec. 17. [204C.17] [VOTING; SECRECY.]** *Except as authorized by Article V, Section 15, a voter shall not reveal to anyone in the polling place the name of any candidate for whom the voter intends to vote or has voted. A voter shall not ask for or receive assistance in the marking of a ballot from anyone within the polling place except as authorized by Article V, Section 15. If a voter, after marking a ballot, shows it to anyone except as authorized by law, the election judges shall refuse to deposit the ballot in any ballot box and shall place it among the spoiled ballots. Unless the showing of the ballot was clearly intentional, the voter shall receive another ballot as provided in Article V, Section 13, Subdivision 3, Clause (d).*

**Sec. 18. [204C.18] [BALLOTS; SECRECY.] Subdivision 1. [PARTY PREFERENCES; PROTECTION OF SECRECY.]** *The election judges shall make no entry or notation in the election register or anywhere else showing the political party to which a voter belongs or for which political party he voted. No election judge shall knowingly permit anyone in the polling place to make such an entry or notation.*

**Subd. 2. [BALLOTS; IDENTIFYING MARKS.]** *No voter, election judge, or other individual shall place at any time a mark as a means of identification upon any ballot handed to or cast by a voter or upon spoiled or discarded ballots, except the initials authorized by Article V, Section 9. A violation of this subdivision is a gross misdemeanor.*

**Sec. 19. [204C.19] [COUNTING VOTES.] Subdivision 1. [PROCEDURE.]** *When the hours for voting have ended and all voting has concluded, the election judges shall immediately count the votes cast at the election. The count shall be held at the polling place and shall be public. It shall be continued without intermission until it is completed and the results are declared, except that the election judges may recess for meals or other necessary purposes. During the count no one except the election judges shall handle the ballots. Any other individual who touches or interferes with ballots during the counting or any election judge who permits such touching or interference is guilty of a misdemeanor.*

**Subd. 2. [BALLOTS; ORDER OF COUNTING.]** *Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared one box at a*

time in the following order: the white box, the pink box, the canary box, the light green box, and then the other kinds of ballots voted at the election. If enough election judges are available to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each counting team shall be members of at least two different major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.

**Subd. 3. [PREMATURE DISCLOSURE OF COUNT RESULTS.]** No count results from any precinct shall be disclosed by any election judge or other individual until all count results from that precinct are available, nor shall the public media disclose any count results from any precinct before the time when voting is scheduled to end in the state.

**Sec. 20. [204C.20] [BALLOTS; NUMBER TO BE COUNTED.]**  
**Subdivision 1. [DETERMINATION OF PROPER NUMBER.]** The election judges shall determine the number of ballots to be counted by adding the number of return envelopes from accepted absentee ballots to the number of signed voter's certificates, or to the number of names entered in the election register. The election judges shall then remove all the ballots from the box. Without considering how the ballots are marked, the election judges shall ascertain that each ballot is separate and shall count them to determine whether the number of ballots in the box corresponds with the number of ballots to be counted.

**Subd. 2. [EXCESS BALLOTS.]** If two or more ballots are found folded together like a single ballot, the election judges shall lay them aside until all the ballots in the box have been counted. If it is evident from the number of ballots to be counted that the ballots folded together were cast by one voter, the election judges shall preserve but not count them. If the number of ballots in one box exceeds the number to be counted, the election judges shall examine all the ballots in the box to ascertain that all are properly marked with the initials of the election judges. If any ballots are not properly marked with the initials of the election judges, the election judges shall preserve but not count them. If there is still an excess of properly marked ballots, the election judges shall replace them in the box, and one election judge, without looking, shall withdraw from the box a number of ballots equal to the excess. The withdrawn ballots shall not be counted but shall be preserved as provided in subdivision 4.

**Subd. 3. [BALLOTS IN WRONG BOX.]** If the election judges find in a ballot box any ballots that are not the kind properly belonging in it, they shall lay those ballots aside. If the number of ballots found in any box equals or exceeds the number of ballots to be counted, the ballots which should have been placed in that box, but which are found in another box, shall not be counted. If the number of ballots found in a box is less than the number of ballots to be counted, and a number of ballots equal to or less than the

deficiency and properly belonging in that box are found in another box, the latter ballots shall be counted. If the number of ballots found in another box exceeds the deficiency, the excess ballots shall be placed in the proper ballot box and, without looking, an election judge shall withdraw a number of ballots equal to the deficiency and the withdrawn ballots shall then be counted.

Subd. 4. [BALLOTS NOT COUNTED; DISPOSITION.] When the final count of ballots agrees with the number of ballots to be counted, those ballots not counted shall be attached to a certificate made by the election judges which states why the ballots were not counted. The certificate and uncounted ballots shall be sealed in a separate envelope and returned to the county auditor or municipal clerk from whom they were received.

Sec. 21. [204C.21] [COUNTING BALLOTS; PILING SYSTEM.] Subdivision 1. [METHOD.] The election judges shall take all the ballots of the same kind and count the votes cast for each office or question, beginning with the first office or question on the ballot. They shall make one pile of the ballots for each candidate who received votes for that office, or one pile for the "Yes" votes and one pile for the "No" votes on a question. They shall make a pile of totally defective ballots and a pile of totally blank ballots. They shall make a pile of ballots that are not totally defective but are defective with respect to the office or question being counted and a pile of ballots that are not totally blank but are blank with respect to the office or question being counted. After the separation into piles, the election judges shall examine each pile and remove and place in the proper pile any ballots that are found in the wrong pile. The election judges shall count the totally blank and totally defective ballots and set them aside until the counting is over for that ballot. The election judges may pile ballots crosswise in groups of 25 in the same pile to facilitate counting. When their counts agree, the election judges shall announce the number of ballots in each pile, and shall write the number in the proper place on the summary statements.

The election judges shall then return all the counted ballots, and all the partially defective or partially blank ballots, to the original pile to be separated and counted in the same manner for the next office or question.

Subd. 2. [MORE THAN ONE CANDIDATE TO BE ELECTED; PILING.] Where more than one candidate is to be elected to an office, the votes for that office shall be counted and canvassed in the manner provided in subdivision 1 as far as practicable.

Subd. 3. [PRIMARY.] At a primary the election judges shall first separate the partisan ballots by major political party and then count the votes for each office as provided in subdivision 1. The nonpartisan primary ballots shall be counted separately after the partisan primary ballots have been counted.

Sec. 22. [204C.22] [DETERMINING VOTER'S INTENT.] Subdivision 1. A ballot shall not be rejected for a technical error

*that does not make it impossible to determine the voter's intent. In determining intent the principles contained in this section apply.*

*Subd. 2. Intent shall be ascertained only from the face of the ballot.*

*Subd. 3. If a voter places a mark (X) beside the names of more candidates for an office than are to be elected or nominated, the ballot is defective with respect only to that office. No vote shall be counted for any candidate for that office, but the rest of the ballot shall be counted if possible. At a primary, if a voter places a mark (X) beside the names of candidates of more than one party on the partisan ballot, the ballot is totally defective and no votes on it shall be counted.*

*Subd. 4. If a voter has written the name of an individual in the proper place on a general or special election ballot a vote shall be counted for that individual whether or not the voter makes a mark (X) in the square opposite the blank.*

*Subd. 5. If a voter has written the name of an individual on a primary or special primary ballot, a vote shall not be counted for that office.*

*Subd. 6. If a mark (X) is made out of its proper place, but so near a name or space as to indicate clearly the voter's intent, the vote shall be counted.*

*Subd. 7. If a number of individuals are to be elected to the same office, the election judges shall count all names written in and all printed names with (X) marks in squares opposite them, not exceeding the whole number to be elected. When fewer names than the number to be elected are marked with an (X) or written in, only the marked or written in names shall be counted. When more names than the number to be elected are marked or written in, the ballot is defective with respect to that office and no vote shall be counted for that office.*

*Subd. 8. Misspelling or abbreviations of the names of write-in candidates shall be disregarded if the individual for whom the vote was intended can be clearly ascertained from the ballot.*

*Subd. 9. If the voter's choice for only some of the offices can be determined from a ballot, the ballot shall be counted for those offices only.*

*Subd. 10. If a voter uniformly uses a mark other than (X) which clearly indicates an intent to mark a name or to mark yes or no on a question, and the voter does not use (X) anywhere else on the ballot, a vote shall be counted for each candidate or position marked. If a voter uses two or more distinct marks, such as (X) and some other mark, a vote shall be counted for each candidate or position marked, unless the ballot is marked by distinguishing characteristics that make the entire ballot defective as provided in subdivision 13.*

*Subd. 11. If the names of two candidates have been marked, and an attempt has been made to erase or obliterate one of the*

marks, a vote shall be counted for the remaining marked candidate. If an attempt has been made to obliterate a write-in name a vote shall be counted for the remaining write-in name or marked candidate.

*Subd. 12. A ballot shall not be rejected merely because it is slightly soiled or defaced.*

*Subd. 13. If a ballot is marked by distinguishing characteristics in a manner making it evident that the voter intended to identify the ballot, the entire ballot is defective.*

*Subd. 14. If the number of candidates for an office is equal to the number of individuals to be elected to that office, and the voter has not marked any name, no vote shall be counted for any candidate for that office.*

*Subd. 15. If no name or position is marked and no name is written in, the ballot is blank with respect to that office or question. A ballot that is blank with respect to one or more offices or questions is not defective.*

**Sec. 23. [204C.23] [DEFECTIVE BALLOTS.] Subdivision 1. [MARKING BY ELECTION JUDGES; MEMORANDUM.]** A ballot that is defective to the extent that the election judges are unable to determine the voter's intent shall be marked on the back "Defective" if it is totally defective or "Defective as to .....", naming the office or question if it is defective only in part.

**Sec. 24. [204C.24] [ELECTION RETURNS; SUMMARY STATEMENTS.] Subdivision 1. [INFORMATION REQUIREMENTS.]** Notwithstanding the provisions of Minnesota Statutes, Sections 206.185, Subdivision 5; and 206.21, Subdivisions 1 and 2, precinct summary statements shall be submitted by the election judges in every precinct. The election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(a) The number of votes each candidate received or the number of yes and no votes on each question, the number of partially blank ballots and the number of partially defective ballots with respect to each office or question;

(b) The number of totally blank ballots, the number of totally defective ballots, the number of spoiled ballots, and the number of unused ballots;

(c) The number of individuals who voted at the election in the precinct;

(d) In counties with permanent registration, the number of voters registered before the polling place opened and the number of voters registering on election day in that precinct; and

(e) The signatures of the election judges who counted the ballots certifying that the national flag was displayed on a suitable staff during voting hours; that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the

*election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question.*

**Subd. 2. [SEALING IN ENVELOPES.]** *The election judges shall place a full set of completed summary statements in each of three separate envelopes and seal them. Each sealed envelope shall be secured with evidence tape furnished by the county auditor. The election judges shall then sign each envelope over the sealed part so that no envelope can be opened without disturbing the continuity of the signatures. Each of the envelopes shall show substantially the following information on its face:*

*"Summary statements of the returns of the .... election precinct, (Town) or (City) of ....., in the County of ....., State of Minnesota".*

**Sec. 25. [204C.25] [DISPOSITION OF BALLOTS.]** *Subdivision 1. [SEALING IN ENVELOPES.] After the count and the summary statements have been completed, in the presence of all the election judges, the counted, defective and blank ballots shall be placed in envelopes of the same color as the ballots and sealed. The election judges shall sign each envelope over the sealed part so that the envelope cannot be opened without disturbing the continuity of the signatures. The number and kind of ballots in each envelope, the name of the town or city, and the name of the precinct shall be plainly written upon the envelopes. The spoiled ballots shall be placed in separate envelopes and returned with the unused ballots to the county auditor or municipal clerk from whom they were received.*

**Sec. 26. [204C.26] [SUMMARY STATEMENTS AND ENVELOPES FOR BALLOT RETURNS; ELECTION OFFICIALS TO FURNISH.]** *Subdivision 1. [SUMMARY STATEMENTS.] Each official responsible for printing ballots shall furnish three or more blank summary statement forms for the returns of those ballots for each precinct. The blank summary statement forms shall be furnished at the same time and in the same manner as the ballots. The county auditor shall furnish blank summary statement forms containing separate space for the summary statement of the returns of the white ballot and the summary statement of the returns for the state pink ballot.*

**Subd. 2. [SUMMARY STATEMENTS; CONTENTS.]** *The blank summary statement forms furnished to each precinct shall identify the precinct, ward number if any, city or town, date, and kind of election and, under appropriate headings identifying each color ballot, shall contain spaces for the election judges to enter the information required by Article V, Section 24, Subdivision 1.*

*Each blank summary statement form shall also contain a certificate to be signed by the election judges stating that the national flag was displayed on a suitable staff during voting hours; that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast*

*for each candidate and for and against each question.*

**Subd. 3. [SECRETARY OF STATE; RULES.]** *On or before July 1 of each even numbered year, the secretary of state shall prescribe the form for summary statements of election returns and the methods by which returns for the state primary and state general election shall be recorded by precinct, county, and state election officials. Each county auditor and municipal clerk required to furnish summary statements shall prepare them in the manner prescribed by the secretary of state. The summary statement of the primary returns shall be in the same form as the summary statement of the general election returns except that a separate part of the summary statement shall be provided for the partisan primary ballot and a separate part for the nonpartisan primary ballot.*

**Subd. 4. [ENVELOPES FOR COUNTED BALLOTS.]** *Each official responsible for printing ballots shall also furnish envelopes to contain those ballots after they have been counted. The envelopes shall be made of heavy paper of the same color as the ballots to be contained in them. They shall be of convenient size to hold the ballots and shall be furnished at the same time and in the same manner as the ballots.*

**Sec. 27. [204C.27] [DELIVERY OF RETURNS TO COUNTY AUDITORS.]** *One or more of the election judges in each precinct shall deliver two sets of summary statements; all unused and spoiled white, pink, and canary ballots; one election register in counties with no permanent voter registration system; and the envelopes containing the white, pink, and canary ballots either directly to the municipal clerk for transmittal to the county auditor's office or directly to the county auditor's office within 24 hours after the end of the hours for voting. One or more election judges shall deliver the remaining set of summary statements and returns, all unused and spoiled municipal ballots, the remaining election register in counties without a permanent voter registration system, the envelopes containing municipal ballots, and all other things furnished by the municipal clerk, to the municipal clerk's office within 24 hours after the end of the hours for voting.*

**Sec. 28. [204C.28] [ELECTION NIGHT; DUTIES OF COUNTY AUDITORS AND MUNICIPAL CLERKS.]** **Subdivision 1. [COUNTY AUDITOR.]** *Every county auditor shall remain at his office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes until all have been tabulated and the results made known, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first. The county auditor shall file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes were previously opened by proper authority for examination or recount, the county auditor shall have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county canvassing board if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots.*

*In that case, the envelopes shall be sealed again and signed in the same manner as otherwise provided in this subdivision.*

**Subd. 2. [CLERKS.]** *The clerk of every first, second, and third class city shall remain at his office to receive delivery of returns, or until 24 hours have elapsed since the end of the hours for voting, whichever occurs first. The clerk of every first class city shall keep a book in which, in the presence of the election judges or other individuals who deliver the returns, the clerk shall make a record of all materials delivered, the time of delivery, and the names of the election judges or other individuals who made delivery. The book shall be retained in the clerk's office for the same period as the ballots as provided in Article IV, Section 40.*

**Sec. 29. [204C.29] [IMPROPER DELIVERY OF RETURNS.]**  
**Subdivision 1. [FAILURE OF ELECTION JUDGES TO MAKE DELIVERY.]** *If the election judges fail to deliver returns as required by Article V, Section 27, the county auditor or municipal clerk to whom the returns should have been delivered shall dispatch a special messenger to obtain them. The messenger shall receive the same compensation as an election judge would receive for performing the same service and shall be subject to the same penalties as an election judge for violation of any provision of the Minnesota election law.*

**Subd. 2. [IRREGULARITIES IN DELIVERY.]** *An officer to whom election returns are required to be made shall not refuse to receive them because they are delivered in any manner other than that prescribed by law, except that the returns must be sealed. No canvassing board shall refuse to include any returns in its canvass of votes because of any informality in holding the election or making returns. All returns shall be received and the votes canvassed by the canvassing board and included in its statements when there is substantial compliance with the provisions of the Minnesota election law.*

**Subd. 3. [DAMAGING RETURNS OR PREVENTING DELIVERY.]** *No individual who is appointed to carry a report, certificate, or certified copy of election returns shall intentionally mutilate, tear, deface or obliterate any portion of it or do any act to prevent its delivery. No individual shall take or accept from a messenger any report, certificate or certified copy of election returns with intent to prevent its delivery, or having taken or accepted it, shall mutilate, tear, deface, obliterate or destroy any portion of it. A violation of this subdivision is a felony.*

**Sec. 30. [204C.30] [ELECTION RETURNS; ADDITIONAL DUTIES OF COUNTY AUDITOR.]**  
**Subdivision 1. [DELIVERY OF SUMMARY STATEMENTS TO SECRETARY OF STATE.]** *The county auditor shall promptly deliver to the secretary of state one of the sets of summary statements received from each precinct.*

**Subd. 2. [NOTIFICATION OF PRIOR REGISTRATION.]** *In counties without a permanent voter registration system, the*

county auditor shall examine all election registers from each precinct for names of voters who list a prior registration at another address. The county auditor shall notify the county auditor of the county where the voter was previously registered, using the form required by Article II, Section 9, Subdivision 4.

**Sec. 31. [204C.31] [CANVASSING BOARDS; MEMBERSHIP.] Subdivision 1. [COUNTY CANVASSING BOARD.]** The county canvassing board shall consist of the county auditor, the clerk of the district court, the mayor or chairman of the town board of the county's most populous municipality, and two members of the county board selected by the board from its members who are not candidates at the election. If one of these individuals fails to appear at the meeting of the canvassing board, the county auditor shall appoint an eligible voter of the county who is not a public official or a candidate for public office to fill the vacancy. Three members constitute a quorum.

**Subd. 2. [STATE CANVASSING BOARD.]** The state canvassing board shall consist of the secretary of state, two judges of the supreme court, and two judges of the district court selected by the secretary of state. None of the judges shall be a candidate at the election. If a judge fails to appear at the meeting of the canvassing board, the secretary of state shall fill the vacancy in membership by selecting another judge from either court who is not a candidate at the election. Not more than two judges of the supreme court shall serve on the canvassing board at one time.

**Sec. 32. [204C.32] [CANVASS OF STATE PRIMARIES.] Subdivision 1. [COUNTY CANVASS.]** The county canvassing board shall meet at the county auditor's office at 10:00 a.m. on or before the third day following the state primary. After taking the oath of office, the canvassing board shall publicly canvass the election returns delivered to the county auditor. The board shall complete the canvass by the evening of the sixth day following the election and shall promptly prepare and file with the county auditor a report that states:

(a) The number of individuals voting at the election in the county, and in each precinct;

(b) The number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;

(c) For each major political party, the names of the candidates running for each partisan office and the number of votes received by each candidate in the county and in each precinct;

(d) The names of the candidates of each major political party who are nominated; and

(e) The number of votes received by each of the candidates for nonpartisan office in each precinct in the county and the names of the candidates nominated for nonpartisan office.

Upon completion of the canvass, the county auditor shall mail or deliver a notice of nomination to each nominee voted for only in

*that county. The county auditor shall promptly certify to the secretary of state the vote reported by the county canvassing board for candidates voted for in more than one county.*

*Subd. 2. [STATE CANVASS.] The state canvassing board shall meet at the secretary of state's office on the second Tuesday after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. Upon completion of the canvass, the secretary of state shall promptly certify the names of the nominees to the county auditors and shall mail to each nominee a notice of nomination.*

**Sec. 33. [204C.33] [CANVASS OF STATE GENERAL ELECTIONS.]** *Subdivision 1. [COUNTY CANVASS.] The county canvassing board shall meet at the county auditor's office on or before the third day following the state general election. After taking the oath of office, the board shall promptly and publicly canvass the general election returns delivered to the county auditor. Upon completion of the canvass, the board shall promptly prepare and file with the county auditor a report which states:*

*(a) The number of individuals voting at the election in the county and in each precinct;*

*(b) The number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;*

*(c) The names of the candidates for each office and the number of votes received by each candidate in the county and in each precinct;*

*(d) The number of votes counted for and against a proposed change of county lines or county seat; and*

*(e) The number of votes counted for and against a constitutional amendment or other question in the county and in each precinct.*

*Upon completion of the canvass, the county canvassing board shall declare the candidate duly elected who received the highest number of votes for each county and state office voted for only within the county. The county auditor shall promptly certify to the secretary of state the vote reported by the county canvassing board for candidates voted for in more than one county.*

*Subd. 2. [COUNTY CANVASSING BOARD REPORTS; PUBLIC AVAILABILITY.] Upon payment of a one dollar fee, the county auditor of each county shall provide a certified copy of the county canvassing board report to anyone who requests it.*

*Subd. 3. [STATE CANVASS.] The state canvassing board shall meet at the secretary of state's office on the second Tuesday following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:*

*(a) The number of individuals voting in the state and in each county;*

*(b) The number of votes received by each of the candidates, specifying the counties in which they were cast; and*

*(c) The number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.*

*All members of the state canvassing board shall sign the report and certify its correctness. The state canvassing board shall declare the result within three days after completing the canvass.*

**Sec. 34. [204C.34] [TIE VOTES.]** *In case of a tie vote for nomination or election to an office, the canvassing board with the responsibility for declaring the results for that office shall determine the tie by lot.*

**Sec. 35. [204C.35] [LEGISLATIVE RACES; AUTOMATIC RECOUNTS.]** *In a state primary when the difference between the votes cast for the candidates for nomination to a legislative office is 100 or less, the difference is less than ten percent of the total number of votes counted for that nomination, and the difference determines the nomination, the canvassing board with responsibility for declaring the results for that office shall recount the vote. In a state general election when the difference between the votes of a candidate who would otherwise be declared elected to a legislative office and the votes of any other candidate for that office is 100 or less, the canvassing board shall recount the votes. A recount shall not delay any other part of the canvass. The results of the recount shall be certified by the canvassing board as soon as possible. Time for notice of a contest for an office which is recounted pursuant to this section shall begin to run upon certification of the results of the recount by the canvassing board. A losing candidate may waive a recount required pursuant to this section by filing a written notice of waiver with the canvassing board.*

**Sec. 36. [204C.36] [RECOUNTS IN COUNTY AND MUNICIPAL ELECTIONS.]** *A losing candidate for nomination or election to a county or municipal office may request a recount of the votes cast for the nomination or election to that office if the difference between the vote cast for that candidate and for a winning candidate for nomination or election is:*

*(a) Five votes or less when the total vote cast for nomination or election to that office is 100 votes or less;*

*(b) Ten votes or less when the total vote cast for nomination or election to that office is more than 100 but not more than 500 votes;*

*(c) Twenty votes or less when the total vote cast for nomination or election to that office is more than 500 but not more than 2,000 votes;*

*(d) One percent of the votes or less when the total vote cast for nomination or election to that office is more than 2,000 but less than 10,000 votes; or*

*(e) 100 votes or less when the total vote cast for nomination or election to that office is 10,000 votes or more.*

*Candidates for county offices shall file a written request for the recount with the county auditor. Candidates for municipal offices shall file a written request with the municipal clerk. All requests shall be filed during the time for notice of contest of the primary or election for which a recount is sought.*

*Upon receipt of a request made pursuant to this section, the county auditor shall recount the votes for a county office at the expense of the county and the governing body of the municipality shall recount the votes for a municipal office at the expense of the municipality.*

*A losing candidate for nomination or election to a county or municipal office may request a recount in the manner provided in this section at the candidate's own expense when the vote difference is greater than the difference required by clauses (a) to (e). The votes shall be recounted as provided in this section if the requesting candidate files with the county auditor or municipal clerk a bond, cash or surety in an amount set by the governing body of the jurisdiction for the payment of the recount expenses.*

*Time for notice of contest of a nomination or election to a county office which is recounted pursuant to this section shall begin to run upon certification of the results of the recount by the county canvassing board. Time for notice of contest of a nomination or election to a municipal office which is recounted pursuant to this section shall begin to run upon certification of the results by the governing body of the municipality.*

**Sec. 37. [204C.36] [COUNTY CANVASS; RETURN OF REPORTS TO SECRETARY OF STATE.]** *Two copies of the reports required by Article V, Section 32, Subdivision 1 and Article V, Section 33, Subdivision 1 shall be certified under the official seal of the county auditor. Each copy shall be enclosed in an envelope addressed to the secretary of state, with the county auditor's name and official address and the words "Election Returns" endorsed on the envelope. The copies shall be mailed or delivered to the secretary of state and, if mailed, shall be forwarded by different mails. If neither copy is received by the secretary of state within ten days following the applicable election, the secretary of state shall immediately notify the county auditor, who shall deliver another copy to the secretary of state by special messenger.*

**Sec. 38. [204C.37] [CORRECTION OF OBVIOUS ERRORS; WHEN CANDIDATES AGREE.]** *Subdivision 1. [ERRORS OF ELECTION JUDGES.] If the candidates for an office unanimously agree in writing that the election judges in any precinct have made an obvious error in the counting or recording of the votes for that office, they shall deliver the agreement to the county auditor of that county who shall reconvene the county canvassing board, if necessary, and present the agreement to it. The county canvassing board shall correct the error as specified in the agreement.*

**Subd. 2. [ERRORS OF COUNTY CANVASSING BOARD.]** *If the candidates for an office unanimously agree in writing that the county canvassing board has made an obvious error in the counting and recording of the vote for that office they shall notify the county auditor who shall reconvene the canvassing board. The county canvassing board shall promptly correct the error as specified in the agreement and file an amended report. When an error is corrected pursuant to this subdivision, the county canvassing board and the county auditor shall proceed in accordance with Article V, Sections 32 to 36.*

**Subd. 3. [ERRORS OF STATE CANVASSING BOARD.]** *If the candidates for an office unanimously agree in writing that the state canvassing board has made an obvious error in the counting and recording of the vote for that office they shall deliver the agreement to the secretary of state. If a certificate of election has not been issued, the secretary of state shall reconvene the state canvassing board and present the agreement to it. The board shall promptly correct the error as specified in the agreement and file an amended statement. When an error is corrected pursuant to this subdivision by the state canvassing board, the state canvassing board and the secretary of state shall proceed in accordance with Article V, Sections 32 to 36.*

**Sec. 39. [204C.38] [CORRECTION OF OTHER OBVIOUS ERRORS.]** **Subdivision 1. [MANNER OF CORRECTION.]** *A county canvassing board may determine by majority vote that the election judges have made an obvious error in counting or recording the votes for an office. The county canvassing board shall then promptly notify all candidates for that office of the determination, including a description of the error. A candidate who receives notification pursuant to this subdivision or any candidate who believes that the election judges in a precinct have made an obvious error in the counting or recording of the votes for an office may apply without unreasonable delay to the district court of the county containing the precinct in which the alleged error was made for an order determining whether or not an obvious error has been made. The applicant shall describe the alleged error in the application and may submit additional evidence as directed by the court. The applicant shall notify the county canvassing board and all candidates for the affected office in the manner directed by the court. If the court finds that the election judges made an obvious error it shall issue an order specifying the error and directing the county canvassing board to inspect the ballots and returns of the precinct in order to correct the error and to proceed further in accordance with this section or otherwise as the court may direct.*

**Subd. 2. [INSPECTION; TIME; PLACE.]** *The county auditor shall schedule a meeting of the county canvassing board at his office as soon as practicable after the court issues an order under subdivision 1 and shall give sufficient advance notice of the meeting to the affected candidates. The board, in the presence of all the candidates for the office or their representatives shall inspect the ballots and returns, correct any error and proceed further in accordance with the order of the court.*

*Preparation of the county canvassing board report with respect to other offices on the ballot shall not be delayed because of an inspection required by this section.*

**Subd. 3. [REPORT OF CANVASSING BOARD; ADDENDUM.]** *After the canvassing board has inspected the ballots and returns, it shall promptly submit to the county auditor an addendum to its regular report, which addendum shall contain the following information:*

*(a) A copy of the order of the court, if any;*

*(b) The minutes of the meeting showing the time, date, and place of the meeting, the names of the candidates or their representatives who were present, and the action taken by the board;*

*(c) A copy of the meeting notice given to each candidate and proof of service; and*

*(d) The names of the candidates for each office for which votes were inspected and the total number of votes received by each candidate for that office in the county and in each precinct.*

**Subd. 4. [CANVASSING BOARD; DECLARATION OF RESULTS; NOTIFICATION.]** *The canvassing board shall declare the results of the election upon completing the inspection for the office in question. The report and declaration shall be filed by the county auditor, who shall mail a certified copy to each candidate for that office. The county auditor shall promptly notify the secretary of state by certified mail of the action of the county canvassing board.*

**Sec. 40. [204C.39] [CERTIFICATES OF ELECTION.]** **Subdivision 1. [PREPARATION; METHOD OF DELIVERY.]** *The county auditor shall prepare an election certificate for every candidate declared elected by the county canvassing board, and the secretary of state shall prepare a certificate for every candidate declared elected by the state canvassing board. Except as otherwise provided in this section, the secretary of state or county auditor, as appropriate, shall deliver an election certificate on demand to the elected candidate. In an election for state representative or state senator, the county auditor or secretary of state shall deliver the original election certificate to the chief clerk of the house or the secretary of the senate. The chief clerk of the house or the secretary of the senate shall give a copy of the certificate to the representative-elect or senator-elect. Upon taking the oath of office, the representative or senator shall receive the original certificate of election. If a recount is undertaken by a canvassing board pursuant to Article V, Section 35, no certificate of election shall be prepared or delivered until after the recount is completed. In case of a contest, the court may invalidate and revoke the certificate as provided in Minnesota Statutes, Chapter 209.*

**Subd. 2. [TIME OF ISSUANCE; CERTAIN OFFICES.]** *No certificate of election shall be issued until 12 days after the canvassing board has declared the result of the election. In case of a contest, an election certificate shall not be issued until a court*

*of proper jurisdiction has finally determined the contest. This subdivision shall not apply to candidates elected to the office of state senator or representative.*

**Sec. 41. [204C.40] [NEGLECT OF DUTY; OTHER OFFENSES BY ELECTION OFFICIALS; PENALTY.]** *An election officer or other individual required by law to safely keep and produce on election day the ballots entrusted to him or to perform any other act, who intentionally fails or refuses to perform the act required, or who is required by law to abstain from any act, and intentionally does the act, or who in either of these cases is guilty of fraud, corruption, partiality or misbehavior in conducting or aiding in the conduct of an election, or in counting or making returns of votes, or who wrongfully refuses to make or deliver a certificate of election, or who falsely or corruptly performs any required act, for which a punishment has not been otherwise expressly provided for by law, is guilty of a felony.*

## ARTICLE VI

### PARTICULAR ELECTIONS

**Section 1. [204D.01] [DEFINITIONS.]** *The definitions in Minnesota Statutes, Chapter 200 apply to this article.*

**Sec. 2. [204D.02] [OFFICERS CHOSEN AT STATE GENERAL ELECTION; TERMS OF OFFICE.]** *Subdivision 1. [OFFICERS.] All elective state and county officers, justices of the supreme court, judges of the district, county and county municipal courts, state senators and state representatives, and senators and representatives in congress shall be elected at the state general election held in the year before their terms of office expire. Presidential electors shall be chosen at the state general election held in the year before the expiration of a term of a president of the United States.*

*Subd. 2. [TERM OF OFFICE.] The term of office of all elective state and county officers shall begin on the first Monday in January of the odd numbered year following their election.*

**Sec. 3. [204D.03] [TIME OF STATE ELECTIONS.]** *Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the first Tuesday after the second Monday in September in each even numbered year to select the nominees of the major political parties for partisan offices and the nominees for non-partisan offices to be filled at the state general election, other than presidential electors.*

*Subd. 2. [STATE GENERAL ELECTION.] The state general election shall be held on the first Tuesday after the first Monday in November in each even numbered year.*

**Sec. 4. [204D.04] [BALLOT PREPARATION.]** *Subdivision 1. [ROTATION OF OFFICES; PROHIBITION.] There shall be no rotation of offices on any ballot required to be prepared pursuant to this article for a state primary or a state general election.*

*Subd. 2. [INSTRUCTIONS TO PRINTER; PRINTER'S BOND.] The official charged with the preparation and distribution*

*of the ballots shall prepare instructions to the printer for rotation of the names of candidates, for layout of the ballot and for providing the ballots in groups of 50. The instructions shall be approved by the legal advisor of the official before delivery to the printer. Before a contract is awarded for printing ballots, the printer shall furnish a sufficient bond in an amount not less than \$1000 nor more than \$5000, conditioned on printing the ballots in conformity with the Minnesota election law and the instructions delivered to him. The official responsible for printing the ballots shall set the amount of the bond.*

**Sec. 5. [204D.05] [STATE PRIMARY BALLOTS; PARTISAN AND NONPARTISAN; OFFICIAL IN CHARGE.]** *Subdivision 1. [STATE PARTISAN PRIMARY BALLOT.] The state partisan primary ballot shall contain the names of the candidates seeking the nomination of each major political party for the partisan offices filled at the state general election.*

*Subd. 2. [STATE AND COUNTY NONPARTISAN PRIMARY BALLOT.] The state and county nonpartisan primary ballot shall contain the names of the candidates seeking nomination for the nonpartisan offices filled at the state general election.*

*Subd. 3. [COUNTY AUDITOR TO PREPARE.] The county auditor of each county shall prepare the state partisan primary ballot and the state and county nonpartisan primary ballot.*

**Sec. 6. [204D.06] [CERTIFICATION OF NAMES BY SECRETARY OF STATE.]** *At least 32 days before a state primary, the secretary of state shall certify to the county auditors the names of all candidates who have properly filed affidavits of candidacy with the secretary of state and who will be voted for in their respective counties at that primary.*

**Sec. 7. [204D.07] [PLACING NAMES ON BALLOTS.]** *Subdivision 1. [DUTIES OF COUNTY AUDITOR.] Except as provided in subdivisions 2 and 3, the county auditor shall place on the appropriate state primary ballot the name of each candidate who has properly filed an affidavit of candidacy with him and of each candidate certified by the secretary of state pursuant to Article VI, Section 6.*

*Subd. 2. [EXCEPTION; PETITION CANDIDATES.] The name of a candidate nominated by petition shall not be placed on any state primary ballot.*

*Subd. 3. [EXCEPTION; CERTAIN NONPARTISAN CANDIDATE.] If not more than twice the number of individuals to be elected to a nonpartisan office file for the nomination, their names and the name of the office shall be omitted from the state and county nonpartisan primary ballot and the candidates who filed shall be the nominees.*

**Sec. 8. [204D.08] [STATE PRIMARY BALLOTS.]** *Subdivision 1. [FORM.] Except as provided in this section, state primary ballots shall be printed in the same manner as state general election ballots as far as practicable. A sufficient number shall be printed for each precinct and ward in the state.*

*Subd. 2. [BLANK LINES PROHIBITED.] At a primary election, no blank lines shall be provided for writing in the names of individuals whose names do not appear on the primary ballot.*

*Subd. 3. [ROTATION OF NAMES.] On state primary ballots the name of each candidate for nomination to a partisan or non-partisan office shall be rotated with the names of the other candidates for nomination to that office so that the name of each candidate appears substantially an equal number of times at the top, at the bottom, and at each intermediate place in that group of candidates.*

*Subd. 4. [STATE PARTISAN PRIMARY BALLOT; PARTY COLUMNS.] The state partisan primary ballot shall be headed by the words "State Partisan Primary Ballot". The ballot shall be printed on white paper. Each major political party shall have a separate column on the ballot, which column shall be headed by the words "..... Party", giving the party name. Below the party name the following statement shall be printed.*

*"Do not vote for candidates of more than one party. If you do, your entire ballot will be defective and no vote marked on your ballot will be counted."*

*The names of the candidates seeking the nomination of each major political party shall be listed in that party's column. If only one individual files an affidavit of candidacy seeking the nomination of a major political party for an office, the name of that individual shall be placed on the state partisan primary ballot at the appropriate location in that party's column.*

*In each column, the candidates for senator in congress shall be listed first, candidates for representative in congress second, candidates for state senator third, candidates for state representative fourth and then candidates for state office in the order specified by the secretary of state.*

*The party columns shall be substantially the same in width, type and appearance. The columns shall be separated by a 12 point solid line.*

*Subd. 5. [PARTY COLUMNS; ARRANGEMENT.] The names of candidates for nomination of the major political party that received the highest average vote at the last state general election in the county shall be placed in the first column on the left side of the ballot. The names of candidates for nomination of the major political party that received the next highest average vote at the last state general election in the county shall be placed in the second column, and so on. For the purpose of this subdivision, the average vote shall be computed by dividing the total number of votes counted in the county for all of the candidates of that major political party appearing on the white ballot at the last state general election by the number of candidates of that party whose names appeared on the white ballot.*

**Subd. 6. [STATE AND COUNTY NONPARTISAN PRIMARY BALLOT.]** *The state and county nonpartisan primary ballot shall be headed "State and County Nonpartisan Primary Ballot". It shall be printed on canary paper. The names of candidates for nomination to the supreme court, district, county and county municipal courts and all county offices shall be placed on this ballot.*

*No candidate whose name is placed on the state and county nonpartisan primary ballot shall be designated or identified as the candidate of any political party or in any other manner except as expressly provided by law.*

**Sec. 9. [204D.09] [SAMPLE PRIMARY BALLOTS.]** *At least two weeks before the state primary the county auditor shall prepare a sample state partisan primary ballot and a sample state and county nonpartisan primary ballot for public inspection. The names of all of the candidates to be voted for in the county shall be placed on the sample ballots, with the names of the candidates for each office arranged alphabetically according to the surname. Only one sample state partisan primary ballot and one sample state and county nonpartisan ballot shall be prepared for any county. The county auditor shall post the sample ballots in a conspicuous place in his office and shall cause them to be published at least one week before the state primary in at least one newspaper of general circulation in the county.*

**Sec. 10. [204D.10] [PRIMARY RESULTS; NOMINEES.]** **Subdivision 1. [PARTISAN OFFICES; NOMINEES.]** *The candidate for nomination of a major political party for a partisan office on the state partisan primary ballot who receives the highest number of votes shall be the nominee of that political party for that office, except as otherwise provided in subdivision 2.*

**Subd. 2. [PARTY PRIMARY; TEN PERCENT REQUIREMENT.]** *If at the state primary any individual seeking a major political party's nomination for an office receives a number of votes equal to ten percent of the average of the votes cast at the last state general election for state officers of that major political party within the district for which the office is voted, then all candidates of that major political party who receive the highest vote for an office are the nominees of that major political party. If none of the candidates of a major political party receive the required ten percent, then no candidates are nominated, and all the candidates of that major political party may be nominated by nominating petition as provided in Article IV, Sections 7 to 9. For the purposes of this subdivision, "state officers" mean the governor, lieutenant governor, secretary of state, state auditor, state treasurer, and attorney general.*

**Subd. 3. [NONPARTISAN OFFICES; NOMINEES.]** *The candidates for each office on the state and county nonpartisan primary ballot receiving the highest and the next highest number of votes shall be the nominees for that office. When more than one individual is to be elected to the same nonpartisan office, the number of nominees shall be equal to twice the number of indi-*

viduals to be elected, and that number of candidates receiving the highest number of votes shall be the nominees for that office.

**Sec. 11. [204D.11] [STATE GENERAL ELECTION BALLOTS; CANDIDATES; OFFICIAL IN CHARGE; RULES; REIMBURSEMENT.] Subdivision 1. [WHITE BALLOT; RULES; REIMBURSEMENT.]** *The names of the candidates for all partisan offices voted on at the state general election and candidates for the office of justice and chief justice of the supreme court shall be placed on a single ballot printed on white paper which shall be known as the "white ballot". This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. The state shall reimburse the counties for the cost of preparing the white ballot and the envelopes required for the returns of that ballot. The secretary of state shall adopt rules for preparation and time of delivery of the white ballot and for reimbursement of the counties' costs.*

**Subd. 2. [PINK BALLOTS.]** *Amendments to the state constitution shall be placed on a ballot printed on pink paper which shall be known as the "pink ballot". The pink ballot shall be prepared by the secretary of state.*

**Subd. 3. [CANARY BALLOT.]** *All questions and the names of all candidates for offices to be voted on at the state general election which are not placed on the white ballot shall be placed on a single ballot printed on canary paper which shall be known as the "canary ballot". The canary ballot shall be prepared by the county auditor.*

**Subd. 4. [SPECIAL FEDERAL WHITE BALLOT.]** *The names of all candidates for the offices of president and vice president of the United States and senator and representative in Congress shall be placed on a ballot printed on white paper which shall be known as the "special federal white ballot". This ballot shall be prepared by the county auditor in the same manner as the white ballot and shall be subject to the rules adopted by the secretary of state pursuant to subdivision 1. The special federal white ballot shall be the only ballot sent to citizens of the United States who are eligible to vote by absentee ballot for federal candidates in Minnesota as provided by Pub. L. 94-203 and Article III.*

**Subd. 5. [BALLOT HEADINGS.]** *The white, pink and special federal white ballot shall be headed with the words "State General Election Ballot". The canary ballot shall be headed with the words "County and Judicial District General Election Ballot".*

**Sec. 12. [204D.12] [NAMES PLACED ON GENERAL ELECTION BALLOTS.]** *Without payment of an additional fee, the county auditor shall place on the appropriate state general election ballot the name of every candidate:*

(a) *Whose nomination at the state primary has been certified by the appropriate canvassing board;*

(b) *Who has been nominated by petition, including candidates certified by the secretary of state; and*

(c) *Who was nominated and whose name was omitted from the state nonpartisan primary ballot pursuant to Article VI, Section 7, Subdivision 3. Only the names of duly nominated candidates may be placed on a ballot.*

**Sec. 13. [204D.13] [WHITE BALLOT; PARTISAN OFFICES.]** *Subdivision 1. [ORDER OF OFFICES.] The candidates for partisan offices shall be placed first on the white ballot and shall appear in the following order: senator in congress shall be first; representative in congress, second; state senator, third; and state representative, fourth. The candidates for state offices shall follow in the order specified by the secretary of state. Candidates for governor and lieutenant governor shall appear so that a single vote may be cast for both offices.*

*Subd. 2. [ORDER OF POLITICAL PARTIES.] The first name printed for each partisan office on the white ballot shall be that of the candidate of the major political party that received the smallest average number of votes at the last state general election. The succeeding names shall be those of the candidates of the other major political parties that received a succeeding higher average number of votes respectively. For the purposes of this subdivision, the average number of votes of a major political party shall be computed by dividing the total number of votes counted for all of the party's candidates for statewide office at the state general election by the number of those candidates at the election.*

*On voting machines the first name printed for each office means the position nearest the top or left edge of the machine, whichever applies.*

**Subd. 3. [NOMINEES BY PETITION; PLACEMENT ON BALLOT.]** *The names of candidates nominated by petition for a partisan office voted on at the state general election shall be placed on the white ballot after the names of the candidates for that office who were nominated at the state primary. Candidates nominated by petition shall be placed on the ballot in the order in which the petitions were filed. The words "nominated by petition" and the political party or political principle of the candidate as stated on the petition shall be placed after the name of a candidate nominated by petition. The word "nonpartisan" shall not be used to designate any partisan candidate whose name is placed on the white ballot by nominating petition.*

**Sec. 14. [204D.14] [WHITE AND CANARY BALLOTS; NON-PARTISAN OFFICES.]** *Subdivision 1. [ROTATION OF NAMES.] The names of candidates for nonpartisan offices on the white and canary ballots shall be rotated in the manner provided for rotation of names on state partisan primary ballots by Article VI, Section 8, Subdivision 2.*

*Subd. 2. [UNCONTESTED OFFICES.] Nonpartisan offices for which there is only one candidate shall appear after all contested offices on the appropriate white or canary ballot.*

**Sec. 15. [204D.15] [PINK BALLOT; FORM; DISTRIBUTION; SAMPLE BALLOT.]** *Subdivision 1. [TITLES FOR CONSTI-*

**TUTIONAL AMENDMENTS.]** *The secretary of state shall provide an appropriate title for each question printed on the pink ballot. The title shall be approved by the attorney general, and shall consist of not more than one printed line above the question to which it refers. At the top of the ballot just below the heading, a conspicuous notice shall be printed stating that a voter's failure to vote on a constitutional amendment has the effect of a negative vote.*

**Subd. 2. [DISTRIBUTION.]** *The pink ballot shall be provided in groups of 50. At least 15 days before the state general election the secretary of state shall forward to the county auditor of each county sufficient ballots to enable the county auditor to comply with the absentee voting provisions of Article IV, Section 28, Subdivision 2. The county auditor shall give a receipt to the secretary of state stating the number of pink ballots and the date when they were received.*

**Subd. 3. [SAMPLE PINK BALLOT.]** *Four weeks before the state general election the secretary of state shall file sample copies of the pink ballot in his office for public inspection. Three weeks before the state general election the secretary of state shall mail sample copies of the pink ballot to each county auditor.*

**Sec. 16. [204D.16] [SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.]** *Two weeks before the state general election the county auditor shall prepare sample copies of the white and canary ballots and shall post copies of these sample ballots and a sample of the pink ballot in his office for public inspection. At least one week before the state general election the county auditor shall cause the sample white, canary and pink ballots to be published in at least one newspaper of general circulation in the county.*

**Sec. 17. [204D.17] [REPRESENTATIVE IN CONGRESS; STATE SENATOR; STATE REPRESENTATIVE; VACANCY IN OFFICE; SPECIAL ELECTION.]** **Subdivision 1. [SPECIAL ELECTIONS; EXCEPTIONS.]** *A vacancy in the office of representative in congress or state senator or state representative shall be filled for the unexpired term by special election upon the writ of the governor as provided in Article VI, Sections 17 to 27; except that if congress or the legislature will not be in session before the expiration of the vacant term no special election is required.*

**Subd. 2. [TWO OR MORE VACANCIES.]** *Two or more vacancies may be filled at the same special election and the candidates may be nominated at the same special primary. Any special primary or special election held pursuant to Article VI, Sections 17 to 27, may be held on the same day as any other election.*

**Sec. 18. [204D.18] [GENERAL ELECTION LAWS; APPLICATION.]** *Except as provided in Article VI, Sections 17 to 27, all of the provisions of the Minnesota election law are applicable to special elections as far as practicable.*

**Sec. 19. [204D.19] [SPECIAL ELECTIONS; WHEN HELD.]** **Subdivision 1. [VACANCY FILLED AT GENERAL ELEC-**

**TION.]** *When a vacancy occurs more than 150 days before the next state general election, and the congress or the legislature will not be in session before the final canvass of the state general election returns, the vacancy shall be filled at the next state general election.*

**Subd. 2. [SPECIAL ELECTION WHEN THE CONGRESS OR LEGISLATURE WILL BE IN SESSION.]** *When a vacancy occurs and the congress or legislature will be in session so that the individual elected as provided by this section could take office and exercise the duties of the office immediately upon election, the governor shall issue within five days after the vacancy occurs a writ calling for a special election. The special election shall be held as soon as possible, consistent with the notice requirements of Article VI, Section 22, Subdivision 3, but in no event more than 28 days after the issuance of the writ.*

**Subd. 3. [SPECIAL ELECTION AT OTHER TIMES.]** *When a vacancy occurs at a time other than those described in subdivisions 1 and 2 the governor shall issue a writ, calling for a special election to be held so that the individual elected may take office at the opening of the next session of the congress or of the legislature, or at the reconvening of a session of the congress or of the legislature.*

**Subd. 4. [WRIT WHEN VACANCY RESULTS FROM ELECTION CONTEST.]** *If a vacancy results from a successful election contest, the governor shall issue 22 days after the first day of the legislative session a writ calling for a special election unless the house in which the contest may be tried has passed a resolution which states that it will or will not review the court's determination of the contest. If the resolution states that the house will not review the court's determination, the writ shall be issued within five days of the passage of the resolution.*

**Sec. 20. [204D.20] [NOMINATIONS; VACANCY.]** *Subdivision 1. [SPECIAL PRIMARY.] Except as provided in subdivision 2, the candidates of the major political parties to fill a vacancy shall be nominated at a special primary. The candidate of each party who receives the highest number of votes at the special primary shall be nominated without reference to the ten percent requirement of Article VI, Section 9, Subdivision 2.*

**Subd. 2. [NO SPECIAL PRIMARY; WHEN.]** *No special primary shall be held to nominate candidates to fill a vacancy if only one individual from each major political party files as a candidate for that party's nomination. In that case, the individuals who have filed are nominated.*

**Subd. 3. [NOMINATIONS BY PETITION.]** *Candidates to fill a vacancy may also be nominated by petition under the conditions and in the manner provided by law for candidates filing by petition for like office at the state general election as far as practicable.*

**Sec. 21. [204D.21] [TIME OF SPECIAL PRIMARY.]** *Subdivision 1. [NOMINATION AT STATE PRIMARY.] When a*

*special election is to be held on the same day as the state general election, as provided in Article VI, Section 19, Subdivision 1, candidates for nomination to fill the vacancy shall be nominated at the state primary.*

**Subd. 2. [NOMINATION AT SPECIAL PRIMARY ON DAY OF REGULAR PRIMARY.]** *Candidates for nomination to fill a vacancy shall be nominated at a special primary on the day of the regular state primary when the vacancy is to be filled at a special election to be held more than 14 days after the regular state primary.*

**Subd. 3. [NOMINATION AT SPECIAL PRIMARY ON OTHER DAY.]** *In all cases other than those provided in subdivisions 1 and 2, a special primary for the nomination of candidates shall be held not later than the fourteenth day before the special election.*

**Sec. 22. [204D.22] [WRIT OF ELECTION.] Subdivision 1. [FILING WITH SECRETARY OF STATE.]** *A writ calling for a special election shall state the office to be filled, the opening and closing dates of filing for candidacy, and the dates of the special primary and special election. The writ shall be filed with the secretary of state immediately upon issuance.*

**Subd. 2. [POSTING OF WRIT.]** *Immediately upon receipt of the writ, the secretary of state shall send a certified copy of the writ by certified mail to the county auditor of each county in which candidates to fill the vacancy are to be voted upon. The county auditor shall post a copy of the writ in his office at least five days before the close of the time for filing affidavits of candidacy for the special election.*

**Subd. 3. [NOTICE OF SPECIAL ELECTION.]** *The county auditor of a county in which a special election is to be held shall direct the clerk of each municipality in which the election is to be held to post a notice of the special primary and special election at least seven days before the special primary and at least 14 days before the special election in the manner provided in Article IV, Sections 33 and 34. If the special primary is to be held 14 days before the special election, a single notice of both elections may be posted seven days before the primary.*

*When the special primary or special election is to be held on the same day as any other election, notice of the special primary or special election may be included in the notice of the other election, if practicable.*

**Subd. 4. [FAILURE OF NOTICE.]** *No omission or defect in any notice required to be given by this section shall invalidate a special primary or special election.*

**Sec. 23. [204D.23] [AFFIDAVITS OF CANDIDACY; NOMINATING PETITIONS.] Subdivision 1. [PLACE AND MANNER OF FILING.]** *Candidates for nomination to fill a vacancy at a special primary shall file their affidavits of candidacy and nominating petitions with the same officers and in the same man-*

*ner and shall pay the same fees as provided by law for candidates for like offices at the state primary.*

**Subd. 2. [TIME OF FILING.]** *Except as provided in subdivision 3, the affidavits and petitions shall be filed no later than the seventh day before the special primary.*

**Subd. 3. [FILING AT REGULAR TIME.]** *If a vacancy occurs before the opening of the time for filing affidavits of candidacy for the state primary and the special primary is held on the same day as the state primary, the affidavits and petitions shall be filed during the time for filing affidavits for the state primary.*

**Subd. 4. [FILING WITH THE SECRETARY OF STATE; CERTIFICATION.]** *Within 24 hours after the filings have closed, the secretary of state shall certify to the county auditors the names of the candidates who have filed with the secretary of state and who will be voted for in those counties at the special primary.*

**Sec. 24. [204D.24] [SPECIAL ELECTIONS; PRECINCTS; ELECTION JUDGES; VOTERS.]** *Subdivision 1. The election precincts, polling places and officials for any special primary or special election shall be the same as at the last preceding general election in that municipality unless changed according to law. When a special primary or special election is held on the same day as another primary or election, the same precincts, polling places and officials shall be used for both. If separate special election ballots are required pursuant to Article VI, Section 25, separate ballot boxes shall be used.*

**Subd. 2. [VOTER REGISTRATION.]** *In any county with a permanent registration system no individual may vote at a special primary or special election without being properly registered.*

**Sec. 25. [204D.25] [SPECIAL ELECTION BALLOTS.]** *Subdivision 1. [FORM.] Except as provided in subdivision 2, the county auditor shall prepare separate ballots for a special primary and special election as required by Article VI, Sections 17 to 27. The ballots shall be headed "Special Primary Ballot" or "Special Election Ballot" as the case may be, followed by the date of the special primary or special election. Immediately below the title of each office to be filled shall be printed the words "To fill vacancy in term expiring.....", with the date of expiration of the term and any other information that is necessary to distinguish the office from any other office to be voted upon at the same election. Otherwise the form of the ballots shall comply as far as practicable with the laws relating to ballots for state primaries and state general elections. The county auditor shall post a sample of each ballot in his office as soon as prepared and not later than four days before the special primary or special election. Publication of the sample ballot for a special primary or special election is not required.*

**Subd. 2. [USE OF REGULAR BALLOTS.]** *The county auditor shall place the names of the candidates to fill the vacancy upon the regular ballots used for like offices at the state primary or state general election, designating the office to be filled in*

*the same manner as provided in subdivision 1 for separate special primary or special election ballots if:*

*(a) The candidates at the special election are to be voted for on the day of the state general election or are to be nominated on the day of the state primary; and*

*(b) The ballots for the state general election or state primary have not been printed when the names of the candidates to be elected or nominated to fill a vacancy have been finally determined.*

**Sec. 26. [204D.26] [CONGRESSIONAL OR LEGISLATIVE DISTRICTS; CHANGE IN BOUNDARIES.]** *No change in the boundaries of any congressional or legislative district is effective with respect to any election to fill a vacancy in the representation of that district if the term of the office which is vacant commenced before the change was made.*

**Sec. 27. [204D.27] [SPECIAL ELECTION RETURNS.]** *Subdivision 1. [COUNTY CANVASS.] The returns of a special primary or special election held pursuant to Article VI, Sections 17 to 27 shall be delivered promptly upon completion to the county auditor of the county in which the special primary or special election is held. Except as provided in subdivisions 2 to 4, the county canvassing board shall canvass and certify the returns to the secretary of state on the next day, excluding Sundays and legal holidays, following the special primary or special election.*

**Subd. 2. [COUNTY CANVASS; SPECIAL PRIMARY ON DAY OF REGULAR STATE PRIMARY.]** *When a special primary is held on the day of the state primary and the special election will be held on the day of the next state general election, the returns of the special primary shall be canvassed and certified by the county canvassing board at their regular meeting.*

**Subd. 3. [STATE CANVASS; SPECIAL PRIMARY.]** *When the special primary is held on the day of the state primary and the special election will be held more than 20 days after that day, the returns of the special primary shall be canvassed by the county canvassing board at its regular meeting.*

**Subd. 4. [COUNTY AND STATE CANVASS; VACANCY FILLED AT STATE GENERAL ELECTION.]** *When the special election is held on the day of the state general election and separate special election ballots were not required, the returns of the special election shall be canvassed and certified by the county and state canvassing boards at their regular meetings.*

**Subd. 5. [CANVASS; SPECIAL PRIMARY; STATE CANVASSING BOARD.]** *Not later than four days after the returns of the county canvassing boards are certified to the secretary of state, the state canvassing board shall complete its canvass of the special primary. The secretary of state shall then promptly certify to the county auditors the names of the nominated individuals and notify each nominee of his nomination.*

**Subd. 6. [CANVASS; SPECIAL ELECTION; SENATOR OR REPRESENTATIVE IN CONGRESS; STATE CANVASSING BOARD.]** *Except as provided in subdivision 4, the state canvassing board shall complete its canvass of a special election for senator or representative in congress and declare the results within seven days after the returns of the county canvassing boards are certified to the secretary of the state.*

**Subd. 7. [SPECIAL CONGRESSIONAL ELECTION CONTEST; CONDUCT.]** *In case of a contest of a special election for senator or representative in congress the notice of contest shall be filed within five days after the canvass is completed, and the contest otherwise shall proceed in the manner provided by law for contesting elections.*

**Subd. 8. [CERTIFICATE OF CONGRESSIONAL ELECTION.]** *No certificate of election in a special election for senator or representative in congress may be issued by the county auditor of any county or by the secretary of state to any individual declared elected by the county or state canvassing board until seven days after the canvassing board has canvassed the returns and declared the results of the election. In case of a contest the certificate may not be issued until the district court determines the contest.*

**Subd. 9. [CANVASS; SPECIAL LEGISLATIVE ELECTION; STATE CANVASSING BOARD.]** *Except as provided in subdivision 4, the state canvassing board shall complete its canvass of a special election for state senator or state representative and declare the results within two days, excluding Sundays and legal holidays, after the returns of the county canvassing boards are certified to the secretary of state.*

**Subd. 10. [SPECIAL LEGISLATIVE ELECTION CONTEST; CONDUCT.]** *In case of a contest of a special election for state senator or state representative, the notice of contest shall be filed within two days, excluding Sundays and legal holidays, after the canvass is completed, and the contest otherwise shall proceed in the manner provided by law for contesting elections.*

**Subd. 11. [CERTIFICATE OF LEGISLATIVE ELECTION.]** *A certificate of election in a special election for state senator or state representative shall be issued by the county auditor or the secretary of state to the individual declared elected by the county or state canvassing board two days, excluding Sundays and legal holidays, after the county canvassing boards finish canvassing the returns.*

*In case of a contest the certificate shall not be issued until the district court determines the contest.*

**Sec. 28. [204D.28] [UNITED STATES SENATE VACANCY; MANNER OF FILING.]** **Subdivision 1. [SCOPE OF SECTION.]** *Every vacancy in the office of United States senator shall be filled in the manner provided in this section.*

**Subd. 2. [DEFINITIONS.]** *The definitions in subdivisions 3 to 5 apply to this section.*

**Subd. 3. [VACANCY.]** "Vacancy" means a vacancy in the office of United States senator.

**Subd. 4. [NOVEMBER ELECTION.]** "November election" means:

- (a) The state general election in even numbered years; or
- (b) The first Tuesday after the first Monday in November of odd numbered years.

**Subd. 5. [REGULAR STATE PRIMARY.]** "Regular state primary" means:

- (a) The state primary at which candidates are nominated for offices elected at the state general election; or
- (b) A primary held four weeks before the first Tuesday after the first Monday in November of odd numbered years.

**Subd. 6. [SPECIAL ELECTION REQUIRED; EXCEPTION; WHEN HELD.]** Every vacancy shall be filled for the remainder of the term by a special election held pursuant to this subdivision; except that no special election shall be held in the year before the term expires.

The special election shall be held at the next November election if the vacancy occurs at least six weeks before the regular state primary preceding that election. If the vacancy occurs less than six weeks before the regular state primary preceding the next November election, the special election shall be held at the second November election after the vacancy occurs.

**Subd. 7. [SPECIAL PRIMARY; WHEN HELD.]** A special primary shall be held at the regular state primary preceding the November election at which the special election is held.

**Subd. 8. [NOTICE OF SPECIAL ELECTION.]** The secretary of the state shall issue an official notice of any special election required to be held pursuant to this section not later than ten weeks before the special primary, except that if the vacancy occurs ten weeks or less before the special primary, the secretary of state shall issue the notice no later than two days after the vacancy occurs. The notice shall state the office to be filled, the opening and closing dates for filing of candidacy and the dates of the special primary and special election. For the purposes of those provisions of Article VI, Sections 17 to 27 that apply generally to special elections, this notice shall be used in place of the writ of the governor.

**Subd. 9. [FILING BY CANDIDATES.]** The time for filing of affidavits and nominating petitions for candidates to fill a vacancy at a special election shall open six weeks before the special primary or on the day the secretary of state issues notice of the special election, whichever occurs later. Filings shall close four weeks before the special primary.

**Subd. 10. [UNITED STATES SENATOR; CANDIDATES; DESIGNATION OF TERM.]** When the names of candidates

for both offices of United States senator are required to be placed on the same ballot, the expiration date of the term of each office shall be printed on the ballot opposite the name of each candidate for nomination or election to that office.

*Subd. 11. [TEMPORARY APPOINTMENT.] The governor may make a temporary appointment to fill any vacancy. An appointee shall hold office until a successor is elected and qualified at a special election or until a successor is elected pursuant to subdivision 12.*

*Subd. 12. [SUCCESSION BY REGULARLY ELECTED SENATOR.] An individual who is elected to the office of United States senator for a regular six year term when the office is vacant or is filled by an individual appointed pursuant to subdivision 11, shall also succeed to the office for the remainder of the unexpired term.*

*Subd. 13. [APPLICATION OF OTHER LAWS.] Except as otherwise provided in this section, all of the provisions of Article VI, Sections 22 to 27 that apply generally to other special elections apply to a special election held pursuant to this section.*

## ARTICLE VII

### OTHER ELECTION STATUTES

Section 1. Minnesota Statutes 1978, Section 10A.01, Subdivision 12, is amended to read:

Subd. 12. "Major political party" means a *major* political party as defined in section 200.02, subdivision 7.

Sec. 2. Minnesota Statutes 1978, Section 40.05, Subdivision 3, is amended to read:

Subd. 3. After December 31, 1972, and for the elections required by subdivision 2, all elections except that provided for the organization of the district, in subdivision 1, shall be held at the time and place of holding the *state* general election, as defined in section 200.02, subdivision 2 specified in Article VI, Section 3, Subdivision 2. No primary election shall be held. Election of *The* names of candidates for election as supervisors of the soil and water conservation district shall be by inclusion placed on the "canary ballot," as described in section 203A.32 Article VI, Section 11, Subdivision 3. Nominating petitions conforming to the rules stated in subdivision 1 shall be filed with the secretary of the soil and water conservation district at least 60 days before the time of holding the *state* general election. At least 45 days before the *state* general election the district secretary shall submit the names of the candidates and the terms for which nominated to the appropriate county auditor. The ballots for use at the election shall be prepared by the county auditor. All laws relating to county elective office elections for county office shall govern insofar as applicable. The county auditor shall certify the result to the state soil and water conservation board, and if the soil and water

conservation district embraces land in more than one county the county auditor shall forthwith certify to the state soil and water conservation board the vote, as shown by the report of the county canvassing board, for all candidates voted for in more than one county. In the latter case the state soil and water conservation board shall certify the results of the election and publish the result.

Sec. 3. Minnesota Statutes 1978, Section 123.32, Subdivision 7, is amended to read:

Subd. 7. The board of any independent school district, at any regular meeting, or special meeting called for that purpose, may provide for the use of voting machines at all school elections to be held therein in that district. Said The board and any municipal corporation, owning or using voting machines, may enter into an agreement for the rental and use of said the voting machines by said district for school elections in said district that purpose. The provisions of sections 204A.17, subdivision 4 Article IV, Section 22, Subdivision 1 and sections 206.02 to 206.23, shall apply to the use of voting machines in school elections insofar as applicable.

Sec. 4. Minnesota Statutes 1978, Section 202A.11, is amended to read:

202A.11 [PARTY NAME.] Subdivision 1. [CHANGE.] Any major political party as defined in the Minnesota election law may change its name by complying with the following conditions:

The state central committee of the party may call a convention, and shall state in its call that a convention is called for a certain time and place, for the purpose of changing the name of the party to some specific name given in the call. The convention shall be held before the termination of the time for filing for nomination for primary elections preceding the state general election not less than 70 days before the state primary, and the change shall be agreed upon by resolution of a majority of the convention. A copy of the resolution determining the change of the name, certified by the chairman and secretary of the convention, shall be filed with the secretary of state within five days after the holding of the convention. Thereafter the political party shall be known by the new name called for by the resolution, and the party under its new name shall have all the rights that it had under its former name.

Subd. 2. [RIGHT TO USE.] A major political party, as defined in the Minnesota election law, which has adopted a party name, is entitled to the exclusive use of the that name for the designation of its candidates on all ballots, and no candidate of any other major political party is entitled to have printed on a ballot as a party designation any part of that name.

Sec. 5. Minnesota Statutes 1978, Section 202A.16, Subdivision 1, is amended to read:

202A.16 [CAUCUS, WHO MAY PARTICIPATE AND VOTE.] Subdivision 1. Only those persons individuals who are qualified to

vote for candidates for federal office in the precinct as defined by the Minnesota election law in section 200.02, subdivision 25, or who or will be qualified to so vote eligible to vote in the precinct at the time of the next state general election, may vote or be elected a delegate or officer at the precinct caucus.

Sec. 6. Minnesota Statutes 1978, Section 205.01, is amended to read:

205.01 [DEFINITIONS.] *Subdivision 1.* The words used in sections 205.01 to 205.17 have the meanings prescribed to them definitions in chapter 200 and in this section apply to this chapter .

*Subd. 2. "Municipal election" means an election held in any municipality at which the voters of the municipality nominate or choose by ballot any public officials for the municipality or decide any public question relating to the municipality that is lawfully submitted to them.*

Sec. 7. Minnesota Statutes 1978, Section 205.03, is amended to read:

205.03 [HOURS FOR VOTING.] *Subdivision 1. [CITIES.]* In all statutory and home rule charter city elections the council governing body of the city, by resolution adopted prior to the giving of notice of the election, may designate the time, in no event less than three hours, during which the polls shall polling places will remain open for voting at the next succeeding and all subsequent city elections, until the resolution is revoked.

*Subd. 2. [METROPOLITAN AREA TOWNS.]* At any election of town officers, in a town which is located within 60 miles of a city of the first class having a population of at least 250,000, the town board, by resolution adopted prior to the giving of notice of the election, may designate the time during which the polls shall polling places will remain open for voting at the next succeeding and all subsequent town elections, provided that the polls polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until revoked by the town board.

*Subd. 3. [OTHER TOWNS.]* In any election of town officers in a town other than a town described in subdivision 2, the town board, by resolution adopted prior to the giving of notice of the election, may designate the time during which the polls shall polling places will remain open for voting at the next succeeding and all subsequent town elections, provided that the polls polling places shall open no later than 10:00 a.m. and shall close no earlier than 5:00 p.m., except a town board may designate a time for closing later than 5:00 p.m. but not later than 8:00 p.m. The resolution shall remain in force until revoked by the town board.

*Subd. 4. [MUNICIPAL ELECTIONS, CANDIDATES, TIME FOR WITHDRAWAL.]* In any municipality candidates for municipal elective offices may withdraw from the election by filing an affidavit of withdrawal with the clerk of the municipality until 12 o'clock noon of the day after the last day for filing

affidavits of candidacy; and thereafter no candidate may file an affidavit of withdrawal.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 205.11, Subdivision 4a, is amended to read:

Subd. 4a. [RECOUNT.] A losing candidate at the municipal primary may request a recount of the votes for that nomination subject to the requirements of *article V*, section 204A.515 36.

Sec. 9. Minnesota Statutes 1978, Chapter 205, is amended by adding a section to read:

[205.121] [NOMINATING PETITIONS; CITIES OF FIRST CLASS; SIGNATURES.] *A nominating petition filed on behalf of a candidate for municipal office in a city of the first class shall be signed by eligible voters who maintain residence in the election district from which the candidate is to be elected. The number of signers shall equal 500, or two percent of the voters in the municipality, ward, or other election district at the last preceding municipal general election, whichever is greater.*

Sec. 10. Minnesota Statutes 1978, Section 205.13, Subdivision 1, is amended to read:

205.13 [MUNICIPAL ELECTIONS, CANDIDATES, FILING.] Subdivision 1. [AFFIDAVIT OF CANDIDACY.] Not more than six nor less than four weeks before the *municipal primary election*, or before the *municipal general election* if there is no *municipal primary election*, any person eligible and desiring to have his name placed on the official ballot as a candidate for an office to be voted for at the election shall file his affidavit of candidacy with the municipal clerk. The affidavit shall be substantially the same form as required of candidates for state offices. An application also may be signed by not less than five voters and filed on behalf of any *qualified eligible voter* in the municipality whom they desire to be a candidate if service of a copy of the application is made on the candidate and proof of service is endorsed on the application before filing. Upon payment of the proper filing fee to the clerk, the clerk shall place the name of the candidate on the official ballot without partisan designation.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 205.14, Subdivision 4, is amended to read:

Subd. 4. [RECOUNT.] A losing candidate at a municipal election may request a recount of the votes for that office subject to the requirements of *article V*, section 204A.515 36.

Sec. 11. Minnesota Statutes 1978, Section 205.15, is amended to read:

205.15 [MUNICIPAL ELECTIONS; FILING FEES.] *Subdivision 1. Unless the charter of a city provides the amount of the fee to be paid upon filing an application or affidavit of candidacy for city office, the filing fee for municipal offices shall be as follows:*

- (a) In first class cities, the sum of \$20;
- (b) In second and third class cities, the sum of \$5; and
- (c) In fourth class cities and towns, the sum of \$2.

*Subd. 2. [PETITION IN PLACE OF FEE.] A candidate for municipal office may file a petition in place of the filing fees specified in subdivision 1. The petition shall meet the requirements specified in Article IV, Section 11, Subdivision 2.*

Sec. 12. Minnesota Statutes 1978, Section 205.17, Subdivision 2, is amended to read:

Subd. 2. In all cities of the first class, for the regular municipal election, the city clerk shall prepare and cause to be printed in blocks of 50 a partisan ballot upon which the names of all candidates for the office of mayor and for the city council are printed, and a nonpartisan ballot upon which the names of all candidates for all other city offices are printed. The partisan ballot shall be printed on light orange paper and shall be headed "Partisan City Election Ballot". The nonpartisan ballot shall be printed on light green paper and shall be headed "Nonpartisan City Election Ballot". Both ballots shall state the name of the city, the date of the elections and otherwise conform to the white ballot used at the state general election. The names of the candidates on the nonpartisan ballot shall be rotated in the manner prescribed for the rotation of names on nonpartisan ballots in state general elections.

On the partisan ballot the name of the candidates for mayor shall be placed first. The order of the names of the candidates shall be in the manner prescribed for state general elections.

Sec. 13. Minnesota Statutes 1978, Section 205.20, Subdivision 2, is amended to read:

Subd. 2. [UNIFORM MUNICIPAL ELECTION DAY ESTABLISHED.] There is hereby established a uniform municipal election day. The uniform municipal election day shall be the first Tuesday after the first Monday in November in odd-numbered years. Municipal officials elected on that date shall take office on the first business day of January next succeeding their election for such term as is provided by law or as is hereinafter provided. The governing body of a municipality may designate a date for the municipal primary election not less than 14 days before the uniform municipal election day.

Sec. 14. Minnesota Statutes 1978, Section 205.20, Subdivision 5, is amended to read:

Subd. 5. [EFFECT OF ORDINANCE; REFERENDUM.] An ordinance adopting the uniform municipal election day shall not become effective until 90 days after passage and publication or at such later date as is fixed in the ordinance. Within 60 days after passage and publication of such an ordinance, a petition requesting a referendum on the ordinance may be filed with the municipal clerk. The petition shall be signed by qualified eligible voters equal in number to five percent of the total number of votes cast

in the municipality at the last state general election. If the municipality has a system of permanent registration of voters, only registered voters are eligible to sign the petition. If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by a majority of 55 percent of voters voting on the question at a general or special election held at least 60 days after submission of the petition. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.

Sec. 15. Minnesota Statutes 1978, Section 206.026, Subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in this chapter, the election judges shall conduct the election in the manner prescribed by *Articles V and VI* for precincts using paper ballots in ~~chapter~~ **204A**.

Sec. 16. Minnesota Statutes 1978, Section 206.07, Subdivision 1, is amended to read:

206.07 [CANDIDATES, ARRANGEMENT OF NAMES.] Subdivision 1. [PLACEMENT.] Where voting machines are authorized and employed, the titles of offices shall be arranged either horizontally with the names of the candidates arranged vertically under the title of the office, or vertically with the names of the candidates arranged horizontally opposite the respective titles. The names of all candidates of a *major* political party shall be placed in the same row or column. If for any office there is no candidate of a *major political* party named at the primary such that a blank space would appear on the voting machine ballot, the blank space shall contain a notice in the same type size and style as names of candidates, indicating that names of candidates for the office appear (above and) below, or to the (left and) right, of the space, whichever applies. On the "~~Consolidated Primary Election Ballot~~" prepared for primary elections, *state partisan primary ballot* and on the white ballot prepared for the *state* general election, the order of the names of nominees, or names of candidates for election, as the case may be, shall be the same as is required for paper ballots. More than one column or row may be used for the same office or party.

Sec. 17. Minnesota Statutes 1978, Section 206.185, Subdivision 1, is amended to read:

206.185 [CANVASS OF ELECTRONIC VOTING SYSTEM RESULTS.] Subdivision 1. In precincts where an electronic voting system is used, as soon as the polls are *polling place* is closed, the *election* judges shall secure the marking devices against further voting. They shall thereafter open the ballot box and count the number of ballots or envelopes containing ballots that have been cast to determine that the number of ballots does not exceed the number of voters shown on the election register or registration file. If there is an excess, the *election* judges shall process the ballots in the same manner as paper ballots are processed in ~~section 204A.41~~ *Article V, Section 20, Subdivision 2*. The

total number of voters shall be entered on the tally sheets. The *election* judges shall thereupon count the write-in votes and prepare a return of ~~such~~ *the* votes on forms provided for this purpose. If ballot cards are used, all ballot envelopes on which write-in votes have been recorded shall be serially numbered, starting with the number one, and the same number shall be placed on the ballot card of the voter. The *election* judges shall compare the write-in votes with the votes cast on the ballot card and if the total number of votes for any office exceeds the number allowed by law, a notation to that effect shall be entered on the back of the ballot card and it shall be returned to the counting location in an envelope marked "defective ballots" and valid votes on ~~such~~ ballots containing invalid votes shall be counted as provided in subdivision 4. If paper ballots are used, the *election* judges shall, before counting the write-in votes, compare the write-in votes with the votes cast elsewhere on the ballot, and if the total number of votes for any office involving a write-in vote exceeds the number allowed by law, a notation to that effect shall be entered on the back of the ballot. Valid votes on the rest of ~~such~~ *that* ballot shall be tallied by the *election* judges at the precinct, on a form provided for the purpose, and shall then be placed in an envelope marked "defective ballots." ~~Such~~ *The* ballots shall be returned to the counting location, and the totals for all such ballots shall be added to the totals for the respective precincts. So far as applicable, provisions relating to defective paper ballots shall apply. The containers for transporting ballots to the counting center referred to in subdivision 2, shall be of sturdy material sufficient to protect the ballots during all reasonably foreseeable hazards, including auto collisions, during their transportation to the center.

Sec. 18. Minnesota Statutes, 1979 Supplement, Section 206.185, Subdivision 5, is amended to read:

Subd. 5. A final tabulation of ballots shall be obtained from the automatic tabulating equipment after all defective cards have been replaced. The final tabulation, together with the returns of write-in and absentee votes and the precinct summary statements prepared in accordance with section 204A.46 article V, section 24, shall constitute the official return of each precinct. Upon completion of the count the returns shall be open to the public. The automatic tabulating equipment shall be programmed to provide a complete recapitulation of all ballots processed and may be programmed to provide other information in addition to that otherwise required in the official return of each precinct as the officials charged with the conduct of elections may determine advisable in the interest of providing election statistics for use in evaluating the performance of the electronic voting system or other aspects of the election.

Sec. 19. Minnesota Statutes 1978, Section 206.20, Subdivision 2, is amended to read:

Subd. 2. For the instruction of the voters there shall be, so far as practicable in each polling place, at least one mechanical model being a mechanical reproduction of a portion of the face of the

voting machine. Such *The* model furnished shall be located during the election in some place which the voter must pass to reach the machine and . Every voter before entering the booth shall be instructed regarding its operation and such . *The* instruction shall be illustrated on the model and the voter given the opportunity to personally operate the model. The voter's attention shall also be called to the diagram on the face of the machine so that the voter becomes familiar with the location of the questions and the names of the offices and candidates. At least one *election* judge shall remain in constant attendance at the instruction model and diagram and occupy himself at all times with the duties of instructing the voters. If any voter after entering the voting machine booth shall ask asks for additional instruction in operating the machine such *the* instruction shall be given him by two *election* judges belonging to opposite *who are members of different major* political parties, if such there be. After giving such instruction such *the* *election* judges shall retire from the voting machine booth and such *the* voter shall thereafter proceed to vote alone and in secrecy. If any voter at a primary election after entering the voting machine booth and setting the primary lever of a *major political* party so as to release the candidates of such *that* party for voting, and turning down levers over the names of candidates, but before recording the votes for any candidates, shall state states to the *election* judges that he wishes to enter the primary of a different *major* political party, the entire election board shall go to such *the* machine and shall see that all voting levers have been returned to the unvoted position so that no votes may be cast for any candidates or for or against any questions or other propositions, and such *the* voter shall then be permitted to return the operating lever to its original position and start from the beginning once more. In each such case the entire election board shall sign a certificate stating what was done and such *the* certificate shall be returned with the official returns of the primary.

Sec. 20. Minnesota Statutes 1978, Section 206.21, Subdivision 1, is amended to read:

206.21 [MACHINES; LOCKING, OPENING, CUSTODY AND CARE.] Subdivision 1. [READING AND RECORDING RESULTS.] As soon as the polls of the election are *polling place* is closed, the *election* judges shall immediately lock or lock and seal each voting machine against voting. *The election* judges shall then sign a certificate stating that each machine has been locked against voting or locked and sealed; the number of voters as shown on the public counter; the number on the seal; the number registered on the protective counter. *The election* judges shall then open the counter compartment in the presence of the watchers and any other persons who may lawfully be present in the polling place, giving full view of all the counter numbers, or if the machine is equipped with a device for printing, embossing, or photographing the registering counters, the *election* judges shall operate the machine to produce a printed, embossed, or photographed record of said *the* counters. One of the *election* judges shall , under the scrutiny of the *an election* judge who is a member

of a different *major* political party, if such there be, if more than three judges be *are* serving in *such the* precinct, in the order of the offices as their titles are arranged on the machine, *shall* read and announce in distinct tones the designating number and letter, if any, on each counter for each candidate's name, the result as shown by the counter numbers, and shall then read the votes recorded for each office on the irregular ballots. He shall also in the same manner announce the vote on each constitutional amendment, proposition, or other question. As each vote total is announced from the counter of the machine, or a printed embossed, or photographed record thereof, it shall immediately be entered on the duplicate statements of canvass, in figures only, in ink, by two *election* judges *who are members* of different *major* political parties, if such there be, in the same order on the space which has the same designating number and letter, if any, after which the figures shall be verified by being called off from the counters in the same manner as heretofore by a *an election* judge who recorded the totals on a statement of canvass during the original canvass of the results. If more than three *election* judges are serving in *such the* precinct, the other *election* judge who recorded the totals on a statement of canvass during the original canvass shall act as watcher at the machine counters during the verification of the results. Each *election* judge shall then sign a certificate which shall be a part of the statement of canvass stating that the results as shown on the statement of canvass are the true and correct results of the election, that the canvass has been completed in accordance with the law as herein provided. After the proclamation of the vote, ample opportunity shall be given to any person lawfully present to compare the results so announced with the counter dials of the machine, or the printed, embossed, or photographed record thereof, and any necessary corrections shall then and there be made by the *election* judges. If absent voters' *absentee* ballots have been voted, *such the* ballots shall be canvassed and counted, the vote thereon for each candidate announced and added to the vote as recorded on the statement of canvass of votes cast by machine. Absent voters' *Absentee* ballots and irregular ballots, enclosed in properly sealed packages respectively, and properly endorsed, shall be filed with the original statement of canvass. In precincts using only one voting machine, if *such the* machine is equipped with a device for printing, embossing, or photographing the registered counters, two copies of the printed, embossed, or photographed record made by *such the* machine of the voting counters, signed by the *election* judges, together with a statement of votes cast for persons not nominated and absentee votes, if any, may constitute the statement of canvass of the precinct. The *election* judge filing the returns shall deliver to the board or officer from whom they were received, the keys to each voting machine, enclosed in a sealed envelope having endorsed thereon a certificate, the *election* judges stating the number of each machine, the district where it has been used, the number of the seal, if any, and the number of the protective counter.

Sec. 21. Minnesota Statutes 1978, Section 206.21, Subdivision 2, is amended to read:

Subd. 2. [STATEMENTS OF CANVASS.] In each precinct where voting machines are used, statements of canvass shall be printed to conform with the type of voting machine used. The designating number and letter, if any, on the counter for each candidate shall be printed next to the candidate's name on the statements of canvass. The arrangement of the names on the statement of canvass for each precinct shall conform exactly with the arrangement of the names on the voting machines to be used in such the precinct. Such Statements of canvass shall provide for the entry of the number of votes for each candidate and the "yes" and "no" of each question as shown on each machine used in the precinct; also for the absent voters' number of absentee ballots and total number of votes, by such ballots ballot and by machine, for each candidate and upon each question. Upon completion of the canvass the election judges shall enclose the statements of canvass in sealed envelopes ~~without sewing with twine or sealing with wax~~ sealed with evidence tape supplied by the county auditor. Such The official statements of canvass may be opened by the authorities in charge of elections before the official canvass for the purpose of checking additions and compiling the unofficial returns and preparing the official records. Such The official statements of canvass shall be used in lieu of the summary sheets, which shall be dispensed with when voting machines are used.

Sec. 22. Minnesota Statutes, 1979 Supplement, Section 208.04, Subdivision 1, is amended to read:

208.04 [PREPARATION OF BALLOTS.] Subdivision 1. When presidential electors are to be voted for, a vote cast for the party candidates for president and vice-president shall be deemed a vote for that party's electors as filed with the secretary of state. The secretary of state shall certify the names of all duly nominated presidential and vice-presidential candidates to the county auditors of the counties of the state. Each county auditor, subject to the rules of the secretary of state, shall cause the names of the candidates of each major political party and the candidates nominated by petition to be printed in capital letters, set in type of the same size and style as for candidates on the state white ballot, before the party designation. To the left of, and on the same line with the surnames, near the margin, shall be placed a square or box, in which the voters may indicate their choice by marking an "X". A mark opposite the candidate's name of any one party shall be counted as a vote for each elector in the party group on file with the secretary of state.

The form for the presidential ballot and the relative position of the several candidates shall be determined by the rules applicable to other state officers. The state ballot, with the required heading, shall be printed on the same piece of paper and shall be below the presidential ballot with a blank space between one inch in width.

Sec. 23. Minnesota Statutes 1978, Section 208.04, Subdivision 2, is amended to read:

Subd. 2. The rules for preparation and delivery of presidential ballots shall be the same as the rules for white ballots under

~~section 203A.31, subdivision 3a Article VI, Section 11, Subdivision 1~~. The secretary of state shall reimburse the counties for the cost of the preparation of the presidential ballot.

Sec. 24. Minnesota Statutes 1978, Section 210A.07, is amended to read:

**210A.07 [UNDUE INFLUENCE ON VOTERS PROHIBITED.]** No *election* judge, officer, or any other person shall directly or indirectly by himself or any other person in his behalf, make use of or threaten to make use of any force, coercion, violence, restraint, or undue influence, or inflict or threaten to inflict by himself, or any other person, any temporal or spiritual injury, damage, harm, or loss upon or against any person in order to induce or compel or attempt to induce or compel ~~such~~ *that* person to vote or refrain from voting for any candidate or the ticket of any political party, or any measure before the people, nor shall by abduction, duress, or any fraudulent contrivance, impede or prevent the free exercise of the franchise of any voter at any primary or election, or compel, induce, or prevail upon any elector to give or to refrain from giving his vote at any primary or election.

Sec. 25. Minnesota Statutes 1978, Chapter 210A, is amended by adding a section to read:

**[210A.141] [REFUSING EMPLOYEE ELECTION PRIVILEGES; PENALTY.]** No person acting as principal or as an official or agent of another, shall directly or indirectly refuse, abridge or in any manner interfere with the election privileges or immunities of an employee of that person or his principal. A violation of this section is a misdemeanor.

Sec. 26. Minnesota Statutes 1978, Section 210A.26, Subdivision 4, is amended to read:

Subd. 4. **[ELECTIONS IN CERTAIN MUNICIPALITIES, STATEMENTS TO BE FILED.]** Every candidate and the secretary of every personal campaign committee in every primary municipal election *primary*, special municipal election, or regular municipal election in all municipalities having more than 20,000 inhabitants shall file a financial statement as follows:

- (a) Seven days before the primary;
- (b) Seven days after the primary;
- (c) Seven days before the regular or special elections; and
- (d) Seven days after the regular or special election.

The statement shall be verified upon the oath of ~~such~~ *the* candidate or ~~such~~ *the* personal campaign committee, as the case may be, and shall cover all transactions made up to and including the third day before the filing of the statement and not accounted for and reported upon in statements theretofore filed, except that no transactions shall be made thereafter which are not included in the final statement. The statements required by this subdivision shall disclose the same information required in subdivision 2. Each statement after the first shall contain a summary of all preceding

statements and summarize all items theretofore reported under the provisions of this section. Blanks for all these statements shall be prepared by the secretary of state, and copies thereof, together with a copy of this section, shall be furnished, through the county auditor, or otherwise, as the secretary of state may deem expedient, to the secretary of every committee and to every candidate, upon the filing of nomination papers by such the candidate, and to all other persons required by the charter of such the municipalities or any election law applicable to such the municipality, in which any municipal primary election, special municipal election, or regular municipal election is being held or is to be held under the provisions of any such municipal charter, or applicable law, and to all other persons required by law to file such statements who may apply therefor. The provisions hereof of section 210A.26 relating to the filing of verified statements of expenditures shall be in addition to requirements contained in the charter of any municipalities requiring the filing of verified statements of expenditures in connection with any municipal primary election, special municipal election, or regular municipal election held or to be held under any such municipal charter or applicable law. The verified statements so required shall be filed with the proper filing officer of any such the municipality.

Sec. 27. Minnesota Statutes 1978, Section 210A.28, is amended to read:

210A.28 [NAMES OF CANDIDATES SHALL NOT BE PRINTED ON BALLOT UNLESS STATEMENT IS FILED.] The name of a candidate chosen at a primary election, or otherwise, shall not be printed on the official ballot for the ensuing general election, unless there has been filed by or on behalf of the candidate and by his personal campaign committee, if any, the statements of accounts and expenses relating to nomination required by sections 210A.01 to 210A.44.

Sec. 28. Minnesota Statutes 1978, Section 210A.34, Subdivision 4, is amended to read:

Subd. 4. It shall not be a violation of this section for a major political party, as defined in section 200.02, subdivision 7, to form a nonprofit corporation for the sole purpose of holding real property to be used exclusively as such political the party's headquarters.

Sec. 29. Minnesota Statutes, 1979 Supplement, Section 290.06, Subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] In lieu of the credit against taxable net income provided by section 290.21, subdivision 3, clause (a), a taxpayer may take a credit against the tax due under this chapter of 50 percent but not more than \$50 of his contributions to a political party and candidate. A married couple, filing jointly, may take a similar credit of not more than \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office, who has not

signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. The commissioner of revenue shall provide in the tax instruction booklet language understandable to a person of average intelligence which states that the taxpayer may only claim a credit against his tax due for contributions to candidates for (a) judicial office or (b) statewide or legislative office who have agreed to limit their expenditures. For purposes of this subdivision, "candidate" means a candidate as defined in section 10A.01, subdivision 5 other than a county court, probate court or county municipal court judgeship ; and "political party" means a major political party as defined in section 200.02, subdivision 7 . The department of revenue shall provide on the first page of the Minnesota tax form an appropriate provision for the credit provided by this subdivision.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 30. Minnesota Statutes 1978, 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, or to an employee stock ownership trust as defined in section 290.01, subdivision 25. Where the beneficiaries of a stock ownership trust include the transferor, his spouse, children, grandchildren, parents, siblings or their children, the amount of the deduction shall be reduced by the product of multiplying said amount by their percentage interest in the trust,

(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 indi-

vidual, 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 credit shall be allowed in an amount equal to the ratio of the taxpayer's gross income from sources within the state 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 credit against taxable net income 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 credits 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 credits 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 credit under subparagraph (i);

(g) in the case of a corporation, the total credit against net income hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the credits 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, 1976, a credit shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

Sec. 31. Minnesota Statutes 1978, Section 365.51, is amended to read:

365.51 [ANNUAL TOWN MEETING; PRECINCTS; POLLING PLACES.] There shall be an annual town meeting held in each town on the second Tuesday of March at the place of holding the last town meeting, or at such other place in the town, or county or in an adjoining town or city in an adjoining county, designated by the annual town meeting, and if no designation is so made the same shall then be made by the town board. The clerk shall give ten days' published notice in a qualified newspaper having general circulation within the town, or by posted notice, or both, as the voters at the annual town meeting may direct, specifying the time and place, but if the town meeting shall fail to direct the manner of giving such notice, the town board shall direct the manner of giving notice. All town officers required by law to be elected shall be chosen thereat, and such other business done as is by law required or permitted. The town board may, with respect to an election by ballot at the annual town meeting for the purpose of selecting town officers or of determining any matter of town business, provide for the casting of ballots in precincts and at polling places. Such The precincts and polling places shall be designated by the town board in the manner prescribed by sections ~~204A.06 and 204A.09~~ Article IV, Sections 14 and 16 .

Sec. 32. Minnesota Statutes 1978, Section 365.52, is amended to read:

365.52 [SPECIAL TOWN MEETINGS; PRECINCT; POLLING PLACES.] A special town meeting may be held for the purpose of election to fill a vacancy when the town board has failed to fill the vacancy by appointment, or for transacting any other lawful business whenever the supervisors, town clerk, and justices of the peace, or any two of them together with at least 12 other freeholders of the town, file in the office of the town clerk a written statement setting forth the reasons and necessity for such meeting and the particular business to be transacted thereat and that the interests of the town require that such meeting be held. A town meeting may also be called upon a petition of 20 percent of the qualified electors *eligible voters* of the town, based upon the number of the electors as shown by the poll list of voters at the next preceding last general election. The town board may, with respect to an election by ballot at a special town meeting for the purpose of selecting town officers or of determining any matter of town business, provide for the casting of ballots in precincts and at polling places. Such The precincts and polling places shall be

designated by the town board in the manner prescribed by sections 204A.06 and 204A.09 Article IV, Sections 14 and 16 .

Sec. 33. Minnesota Statutes 1978, Section 375.20, is amended to read:

375.20 [QUESTIONS SUBMITTED TO VOTE; BALLOT.] When the county board is authorized to do any act, incur any debt, appropriate money for any purpose, or exercise any other power or authority, only when authorized to do so by a vote of the people, the question to be voted upon may be submitted at a special or any general election, by a resolution specifying the matter or question to be voted upon; and, if it is to authorize the appropriation of money, creation of a debt, or levy of a tax, shall state the amount thereof. Notice of such the election shall be given as in the case of special elections; and, if the question submitted be is adopted, the board shall pass an appropriate resolution to carry the same it into effect. In all such elections the form of the ballot shall be: "In favor of (here state the substance of the resolution to be submitted), Yes..... No.....," with a square opposite each of the words "yes" and "no," in one of which the voter shall make a cross mark an "X" to indicate his choice ; provided that . The county board may call a special county election upon any such question to be held within 60 days after a resolution to that effect shall be is adopted by the county board. Upon the adoption of such a the resolution the county auditor shall post and publish notices of such the election, as required by section 202A.66 Article VI, Section 22, Subdivisions 2 and 3 . The election shall be conducted and the returns canvassed in the manner prescribed by sections 202A.61 to 202A.71 Article VI, Sections 20 to 27, so far as practicable.

Sec. 34. Minnesota Statutes 1978, Section 382.28, is amended to read:

382.28 [LAW ENFORCEMENT OFFICIALS.] In each election district established as provided by section 204A.06 Article IV, Section 15 there shall be elected at the general election two law enforcement officials whose term of office shall be two years. The law enforcement position may be filled by a (a) peace officer, (b) constable, or (c) deputy constable. Any vacancy that may occur in either of such these offices shall be filled by appointment by the county board.

Sec. 35. Minnesota Statutes 1978, Section 487.03, Subdivision 2, is amended to read:

Subd. 2. [ELECTION.] Each judge shall be elected at the general election for a term of six years, beginning on the first Monday of the January next following his election and until his successor qualifies. No person shall be a candidate for more than one county court judgeship at any election.

In any election following reduction of the number of county court judges pursuant to section 487.01, subdivision 7 the requirement contained in section 202A.22, subdivision 3 Article IV, Sec-

tion 6, Subdivision 6, that a candidate for office of judge state the office for which he is a candidate shall not apply. In such a situation all parties filing for office of judge shall run against each other for the remaining seats. However, each candidate who otherwise would have qualified to have the word "incumbent" printed after his name on the ballot pursuant to ~~section 203A.12, subdivision 6~~ Article IV, Section 36, Subdivision 5, shall retain this right.

Sec. 36. [RULES OF SECRETARY OF STATE; CONTINUATION.] *The rules of the secretary of state in force on the effective date of this section shall remain effective until they are modified or repealed as provided by law. Any rulemaking proceeding initiated by the secretary of state prior to the effective date of this section may be continued and the proposed rule or rules may be promulgated in the manner authorized by this act. With respect to those subjects which were within the rulemaking authority of the secretary of state prior to the effective date of this section, the rulemaking authority given to the secretary of state by this act shall be construed as a continuation of that previously existing authority and not as a new delegation of rulemaking authority.*

Sec. 37. [INSTRUCTION TO THE REVISOR.] *In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall make the following substitutions as indicated in this section in subdivisions not amended by articles I to VII.*

(a) *In chapter 202A substitute:*

- (1) "Major political party" for "political party;"
- (2) "State general election" for "general election;" and
- (3) "State primary" for "primary election."

(b) *In chapter 205 substitute:*

- (1) "Major political party" for "political party;"
- (2) "State general election" for "general election;"
- (3) "Primary" for "primary election;"
- (4) "Governing body" or "governing body of the city," as appropriate, for "council;" and
- (5) "Municipal primary" for "primary municipal election."

(c) *In chapter 206 substitute:*

- (1) "Major political party" for "political party;"
- (2) "State general election" for "general election;"
- (3) "Primary" or "primaries," as appropriate, for "primary election" or "primary elections;"
- (4) "Governing body of the city" for "council;"
- (5) "Election judges" for "judges," meaning election judges and not judges of court; and

(6) "Polling place" or "polling places," as appropriate, for "polls."

(d) *In chapter 208 substitute:*

(1) "Major political party" or "major political parties," as appropriate, for "political party" or "political parties;" and

(2) "State general election" for "general election."

(e) In chapter 209 substitute "primary" for "primary election."

(f) In chapter 210A substitute:

(1) "Major political party" for "political parties;" and

(2) "Polling place" for "polls."

Sec. 38. [REPEALER.] *Minnesota Statutes 1978, Sections 201.231; 201.26; 201.33; 202A.21; 202A.22; 202A.23; 202A.24; 202A.25; 202A.26; 202A.27; 202A.28; 202A.29; 202A.30; 202A.31; 202A.32; 202A.41; 202A.42; 202A.51; 202A.52; 202A.53; 202A.54; 202A.61; 202A.62; 202A.63; 202A.64; 202A.65; 202A.66; 202A.67; 202A.68; 202A.69; 202A.70; 202A.71; 202A.72; 203A.01; 203A.11; 203A.12; 203A.13; 203A.14; 203A.15; 203A.16; 203A.17; 203A.18; 203A.21; 203A.22; 203A.23; 203A.31; 203A.32; 203A.33; 203A.34; 203A.35; 203A.36; 203A.41; 203A.42; 203A.43; 204A.01; 204A.02; 204A.03; 204A.04; 204A.05; 204A.06; 204A.07; 204A.08; 204A.09; 204A.10; 204A.11; 202A.12; 204A.13; 204A.14; 204A.15; 204A.16; 204A.17; 204A.175; 204A.18; 204A.19; 204A.20; 204A.21; 204A.22; 204A.23; 204A.24; 204A.25; 204A.26; 204A.27; 204A.28; 204A.29; 204A.295; 204A.30; 204A.31; 204A.32; 204A.33; 204A.34; 204A.341; 204A.35; 204A.36; 204A.365; 204A.37; 204A.38; 204A.39; 204A.40; 204A.41; 204A.42; 204A.43; 204A.44; 204A.45; 204A.46; 204A.47; 204A.49; 204A.50; 204A.51; 204A.52; 204A.53; 204A.54; 204A.55; 204A.56; 204A.57; 204A.58; 204A.59; 204A.60; 204A.61; 204A.62; 207.01; 207.02; 207.025; 207.03; 207.04; 207.05; 207.06; 207.07; 207.08; 207.085; 207.09; 207.11; 207.14; 207.151; 207.16; 207.17; 207.18; 207.19; 207.20; 207.21; 207.22; 207.221; 207.23; 207.24; 207.25; 207.26; 207.27; 207.28; 207.29; 207.30; 207.31; and 210.22; and Minnesota Statutes, 1979 Supplement, Sections 203A.13; 203A.15; 204A.23; 204A.26; 204A.31; 204A.32, Subdivision 3; 204A.51, Subdivisions 2 and 3; 204A.515; 204A.53, Subdivisions 2 and 3; 207.08; 207.11, Subdivision 6 are repealed.*

## ARTICLE VIII

### Miscellaneous Provisions"

Page 3, line 15, delete "This act" and insert "Articles I to VII are effective January 1, 1981. Article VIII"

Amend the title as follows:

Page 1, line 2, after the semicolon insert:

"revising, reorganizing and recodifying major portions of the Minnesota election law; modernizing and improving language, organization and style; clarifying certain ambiguities; removing certain obsolete terms and provisions; restating guidelines for determining voter eligibility; providing for voter registration, absentee voting, the conduct of elections and the counting and canvassing of election returns; defining terms; providing penalties; making necessary technical amendments, corrections and other revisions;"

Page 1, line 5, after "Sections" insert:

"10A.01, Subdivision 12; 40.05, Subdivision 3; 123.32, Subdivision 7; 200.01; 200.02; 201.01; 201.021; 201.061; 201.071; 201.081; 201.091; 201.11; 201.12; 201.121; 201.13; 201.14; 201.161; 201.171; 201.18; 201.211; 201.221; 201.27; 201.275; 202A.11; 202A.16, Subdivision 1; 205.01; 205.03;"

Page 1, line 5, before the semicolon insert:

"; 205.13, Subdivision 1; 205.15"

Page 1, line 5, delete "and" and insert:

"205.17, Subdivision 2; 205.20, Subdivisions 2 and 5; 206.07, Subdivision 1; 206.185, Subdivision 1; 206.20, Subdivision 2; 206.21, Subdivisions 1 and 2; 210A.07; 210A.26, Subdivision 4; 210A.28; 210A.34, Subdivision 4; 290.21, Subdivision 3; 365.51; 365.52; 375.20; 382.28;"

Page 1, line 6, before the period insert

"; 487.03, Subdivision 2; and Chapters 200, 201, 205, and 210A, by adding sections; and Minnesota Statutes, 1979 Supplement, Sections 201.15; 205.11, Subdivision 4a; 205.14, Subdivision 4; 206.185, Subdivision 5; 208.04; and 290.06, Subdivision 11; repealing Minnesota Statutes 1978, Sections 201.231; 201.26; 201.33; 202A.21; 202A.22; 202A.23; 202A.24; 202A.25; 202A.26; 202A.27; 202A.28; 202A.29; 202A.30; 202A.31; 202A.32; 202A.41; 202A.42; 202A.51; 202A.52; 202A.53; 202A.54; 202A.61; 202A.62; 202A.63; 202A.64; 202A.65; 202A.66; 202A.67; 202A.68; 202A.69; 202A.70; 202A.71; 202A.721; and 210.22 and Chapters 203A, 204A, and 207; and Minnesota Statutes, 1979 Supplement, Sections 203A.13; 203A.15; 204A.23; 204A.26; 204A.31; 204A.32, Subdivision 3; 204A.51, Subdivisions 2 and 3; 204A.515; 204A.53, Subdivisions 2 and 3; 207.08; and 207.11, Subdivision 6"

The motion prevailed. So the amendment was adopted.

H. F. No. 1790 which the committee recommends to pass with the following amendment offered by Mr. Willet:

Page 1, after line 19, insert:

"Sec. 2. [TRAVEL INFORMATION FRANCHISE PROGRAM.] *Subdivision 1. The commissioner of transportation shall establish a franchise program to lease space within tourist information centers and safety rest areas for the purpose of providing information to travelers through travel-related commercial and public service advertising.*

*Subd. 2. The program may, in its initial phase, utilize space within existing publicly owned buildings and shelters in safety rest areas and tourist information centers. This phase shall be operational by May 1, 1981. Franchises for this phase shall be ready to let by January 1, 1981.*

*Subd. 3. The program may also include franchises for the construction, operation and maintenance of additional information structures by the franchisee at his expense on state owned*

*lands within safety rest or tourist information center areas. All structures constructed by the franchisee shall meet or exceed specifications prescribed by the commissioner of transportation and shall satisfy the requirements of the state building code for accessibility by the physically handicapped. All structures shall be designed to enhance their site and shall be aesthetically compatible with the natural environment.*

*Subd. 4. The commissioner shall determine the sites to be included in this program and shall also determine if the advertising display at each site is to be inside or outside of any buildings or shelters.*

**Sec. 3. [COMMISSIONER OF TRANSPORTATION TO GRANT FRANCHISES.]** *Subdivision 1. The commissioner of transportation, by public negotiation or bid, shall grant franchises for the purposes of section 2. Each franchise agreement shall include the safety rest areas and tourist information centers in a geographical area comprising approximately one-quarter of the land area of the state. The franchise agreement shall insure that the franchisee provide services throughout the area in as many tourist information centers and safety rest areas as are reasonably necessary for the convenience of travelers.*

*Subd. 2. The commissioner of transportation shall require the franchisee to obtain liability insurance in an amount prescribed by the commissioner jointly insuring the state and the franchisee against any and all liability for claims for damage occurring wholly or partly because of the existence of the franchise.*

*Subd. 3. The franchise agreement may provide that a percentage of the gross revenues derived from advertising shall be paid to the state for deposit in the trunk highway fund.*

**Sec. 4. [ADDITIONAL FRANCHISE PROVISIONS.]** *Subdivision 1. Each franchise agreement shall contain the following provisions:*

*(a) The franchisee shall comply with 23 CFR 252 and subsequent revisions pertaining to privately operated information systems;*

*(b) At least 40 percent of the commercial advertising space shall be offered initially for a reasonable period of time to local advertisers who provide services for travelers within a 60 mile radius of the safety rest area or tourist information center;*

*(c) The franchisees shall make appropriate marketing efforts in an attempt to lease at least 40 percent of the commercial advertising space to local advertisers; and*

*(d) Reasonable performance standards, and maintenance standards for structures constructed by the franchisee.*

*Subd. 2. The franchise agreement shall impose limitations on advertising space within state owned buildings or on state owned property in safety rest areas and tourist information centers.*

*Subd. 3. The commissioner of transportation may require additional reasonable terms and conditions to be included in the*

*franchise agreement, including but not limited to, provisions governing the renewal and termination of the agreement, and in the event of termination, the rights of the state and the franchisee in advertising contracts and in buildings constructed by the franchisee.*

Sec. 5. Minnesota Statutes 1978, Section 160.08, Subdivision 7, is amended to read:

Subd. 7. [NO COMMERCIAL ESTABLISHMENT WITHIN RIGHT-OF-WAY.] No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly-owned or publicly-leased land acquired or used for or in connection with, a controlled access highway, *except that structures may be built within safety rest and tourist information center areas and space within state owned buildings in those areas may be leased for the purpose of providing information to travelers through commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 8.*

Sec. 6. Minnesota Statutes 1978, Section 161.23, Subdivision 3, is amended to read:

Subd. 3. [LEASING.] The commissioner may lease for the term between the acquisition and sale thereof and for a fair rental rate and upon such terms and conditions as he deems proper, any excess real estate acquired under the provisions of this section, and any real estate acquired in fee for trunk highway purposes and not presently needed therefor. All rents received from the leases shall be paid into the state treasury. Seventy percent of the rents shall be credited to the trunk highway fund. The remaining thirty percent shall be paid to the county treasurer where the real estate is located, and shall be distributed in the same manner as real estate taxes. *This subdivision does not apply to real estate leased for the purpose of providing commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 8.*

Sec. 7. Minnesota Statutes 1978, Section 161.433, Subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION FOR USE.] The consideration paid for the use of air space or subsurface areas shall be determined by the commissioner, but in no event shall it be less than a fair rental rate, and shall include costs for the erection and maintenance of any facilities or other costs occasioned by that use. All moneys received shall be paid into the trunk highway fund. *This subdivision does not apply to real estate leased for the purpose of providing commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 8.*

Sec. 8. Minnesota Statutes 1978, Section 161.434, is amended to read:

161.434 [RIGHT OF WAYS OF INTERSTATE AND TRUNK HIGHWAYS; LIMITED LAND USE.] The commissioner may

also make such arrangements and agreements as he deems necessary in the public interest for the limited use of land owned as interstate or trunk highway right of way, which use shall be for highway purposes, including aesthetic purposes, but not including the erection of permanent buildings, *except buildings or structures erected for the purpose of providing information to travelers through commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 8.* The commissioner shall secure the approval of the appropriate federal agency where approval is required."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for a travel information franchise program, and prescribing the powers and duties of the commissioner of transportation in relation thereto;

Page 1, line 5, delete "Section" and insert Sections 160.08, Subdivision 7; 161.23, Subdivision 3; 161.433, Subdivision 2; 161.434; and"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass H. F. No. 1790.

The roll was called, and there were yeas 33 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Jensen	Moe	Rued	Strand
Ashbach	Johnson	Ogdahl	Schaaf	Ueland, A.
Bernhagen	Keefe, S.	Olson	Schmitz	Vega
Dieterich	Kirchner	Penny	Setzepfandt	Wegener
Frederick	Knaak	Peterson	Sillers	Willet
Gearty	Laufenburger	Pillsbury	Solon	
Gunderson	Lessard	Purfeerst	Stern	

Those who voted in the negative were:

Bang	Hughes	Menning	Sikorski	Tennessee
Barrette	Humphrey	Merriam	Spear	
Benedict	Keefe, J.	Nichols	Staples	
Brataas	Knoll	Olhoft	Stokowski	
Coleman	Luther	Omann	Stumpf	

The motion prevailed. So H. F. No. 1790 was recommended to pass. H. F. No. 1790 was then progressed.

S. F. No. 1028, which the committee recommends to pass with the following amendment offered by Mr. Tennessee:

Page 3, line 25, delete "Subdivision 1."

Page 3, line 32, after the semicolon, insert "and"

Page 3, line 33, delete the semicolon and insert a period

Page 4, delete lines 1 to 17

The motion prevailed. So the amendment was adopted.

H. F. No. 1453, which the committee recommends to pass with the following amendments offered by Messrs. Peterson and Willet:

Mr. Peterson moved to amend H. F. No. 1453 as follows:

Page 2, line 32, delete "*this act*" and insert "*sections 1 and 2*"

Page 3, after line 1, insert

"Sec. 4. Minnesota Statutes, 1979 Supplement, Section 43.051, Subdivision 3, is amended to read:

Subd. 3. Notwithstanding the provisions of subdivision 1, any employee of the state of Minnesota in a covered classification as defined in section 352.91, who is a member of the special retirement program for correctional personnel established pursuant to sections 352.90 to 352.95, shall *may elect or be required to* retire from employment in the covered correctional position upon reaching the age of 55 years, unless the person applies for and receives from the commissioner of corrections, or the commissioner of public welfare if the appointing authority is the Minnesota security hospital an extension beyond the conditional mandatory retirement age.

A covered correctional employee may be employed beyond the mandatory retirement age, but not beyond the age of 65 years. A correctional employee occupying a position specified as covered by the provisions of section 352.91, desiring employment beyond the conditional mandatory retirement age shall, at least 30 days prior to the date of reaching the conditional mandatory retirement age of 55 years, and annually thereafter, request in writing to the person's appointing authority that he be authorized to continue in employment in the covered position. Upon receiving the request, the appointing authority shall have a medical examination made of the employee. If the results of the medical examination, together with the determination and certification of the appointing authority as to establish the mental and physical ability of the employee to continue to fulfill the duties of his employment, he shall be continued in his employment for the following year; shall be transmitted to the commissioner of corrections or the commissioner of public welfare if the appointing authority is the Minnesota security hospital. If the determination of the appointing authority relating to an employee based upon the results of the physical examination is adverse, the disposition of the matter shall be decided by the commissioner of corrections or of public welfare, whichever is applicable, if the appointing authority is the Minnesota security hospital. Based on the information provided to him, the decision of the applicable commissioner shall be made in writing and shall be final.

Sec. 5. Minnesota Statutes 1978, Section 352.90, is amended to read:

352.90 [CORRECTIONAL EMPLOYEES.] It is the policy of the legislature to provide special retirement benefits and contributions for certain correctional employees who, because of the

nature of their employment, are may be required to retire at an early age because they are unable to retain the mental or physical capacity required to maintain the safety, security, discipline and custody of inmates at state adult correctional facilities. For the purpose of chapter 356, the actuary shall make separate reports with respect to these employees. Except as otherwise provided, the provisions of this chapter, apply to covered correctional employees.

Sec. 6. Minnesota Statutes 1978, Section 352.91, Subdivision 1, is amended to read:

352.91 [COVERED CORRECTIONAL SERVICE.] Subdivision 1. Covered correctional service means: (a) services performed on, before, or after July 1, 1973, by a state employee, as defined in section 352.01, as an attendant guard, attendant guard supervisor, correctional captain, correctional counselor I, correctional counselor II, correctional counselor III, correctional counselor IV, correctional lieutenant, correctional officer, correctional sergeant, director of attendant guards and guard farmer garden, provided the employee was employed in such position on July 1, 1973 or thereafter; (b) services performed before July 1, 1973 by an employee covered under clause (a) in a position classified as a houseparent, special schools counselor, shop instructor or guard instructor; and (c) services performed before July 1, 1973 in a position listed in clause (a) and positions classified as houseparent, guard instructor and guard farmer dairy, by a person employed on July 1, 1973 in a position classified as a license plant manager, prison industry foreman (general, metal fabricating and foundry), prison industry supervisor, food service manager, prison farmer supervisor, prison farmer assistant supervisor or rehabilitation therapist employed at the Minnesota security hospital. However an employee shall not be covered hereunder if first employed after July 1, 1973 and who because of his age could not acquire ten years of sufficient service to qualify for an annuity as a correctional employee.

Sec. 7. Minnesota Statutes 1978, Section 352.91, Subdivision 2, is amended to read:

Subd. 2. Covered correctional service shall also mean service rendered at any time by state employees as special teachers, tradesmen and maintenance personnel certified by the commissioner of personnel as being regularly engaged in rehabilitation, treatment, custody or supervision of inmates employed at the Minnesota state reformatory for men correctional facility-St. Cloud, the state prison Minnesota correctional facility-Stillwater and the Minnesota correctional institution for women facility-Shakopee on or after July 1, 1974, other than any such employees who are 62 years of age or older as of July 1, 1974, and, effective the first payroll period after June 1, 1980, shall also include those employees of the Minnesota correctional facility-Lino Lakes and the employees of any other adult state correctional facility which may be established, who perform covered correctional service after June 1, 1980. For each special teacher who on July 1, 1974 is employed at one of the foregoing institutions facilities and is a

member of the teachers retirement association, the teachers retirement association shall transfer to the Minnesota state retirement system an amount equal to accumulated employee and employer contributions, including any additional employer contributions on behalf of such employee. The term special teacher shall also include the classifications of institution facility educational administrator and supervisor.

Sec. 8. Minnesota Statutes 1978, Section 352.91, is amended by adding a subdivision to read:

*Subd. 4. Upon the recommendation of the commissioner of corrections or the commissioner of public welfare, whichever is the appropriate employing authority, with the approval of the legislative advisory committee and with notification to and receipt of comments from the legislative commission on pensions and retirement, the commissioner of personnel may certify additional civil service classifications at state adult correctional or security hospital facilities to the executive director of the Minnesota state retirement system as positions rendering covered correctional service.*

Sec. 9. [PENSION COVERAGE FOR MOORHEAD POLICE CHIEF.] *Notwithstanding Minnesota Statutes, Section 353.64, Subdivision 1, or any other general or special law to the contrary, the person employed by the city of Moorhead on the effective date of this act as chief of police shall be a member of the public employees police and fire fund established by Minnesota Statutes, Sections 353.63 to 353.68 and not of the local police relief association. Any employee contributions made to the local police relief association shall be transferred to the public employees police and fire fund. In addition an amount which together with the amount transferred is equal to the total employer and employee contributions pursuant to Minnesota Statutes, Section 353.65, which would have been required by the public employees police and fire fund during the period between initial employment as chief of police and the effective date of this act, shall be paid by the city into the public employees police and fire fund, which shall credit the chief of police with service as a member for this period only upon receipt of the required amounts.*

Sec. 10. *Notwithstanding any provision of Minnesota Statutes, Section 353.64, Subdivision 1, or any other general or special law to the contrary, a person who was employed by the city of St. Louis Park as a police officer during the period from September of 1967 through July of 1977 shall upon (1) reemployment as a St. Louis Park police officer and (2) repayment of employee contributions previously refunded to him plus interest on the refund amount at the rate of six percent per annum compounded annually from the date the refund was taken until the date the refund was repaid and (3) the completion of additional service sufficient to total ten years or more, be entitled to transfer all allowable service credit in the St. Louis Park police relief association to the public employees police and fire fund. Upon fulfillment of the above conditions and application by the individual, but not later than December 31, 1986, the St. Louis*

*Park police relief association shall pay to the public employees police and fire fund an amount equal to the combined employer and employee contributions made by or on behalf of the individual plus compound interest thereon at the rate of six percent per annum from the date originally received. In calculating the amount of employer contributions made on behalf of the individual, the amounts which represent the annual pro rata share of all amounts received by the St. Louis Park police relief association, excluding interest on the accumulated assets of the relief association and member contributions, determined on basis of the number of active members each year, shall be utilized. If the amount thus paid is greater than the total of contributions which would have been required had the individual been a member of the public employees police and fire fund during the periods when the service was rendered, the amount of the excess shall be refunded to the St. Louis Park police relief association. If the amount paid is less than the required amount, the individual shall pay this amount, unless the governing body of the city of St. Louis Park elects to make the payment. No service credit in the public employees police and fire fund shall be granted until all conditions of this section have been fulfilled and all required payments have been made.*

**Sec. 11. [INVESTMENT OF FUNDS.]** *The funds of either the Rochester fire department relief association or the Rochester police relief association shall be invested in securities which are proper investments for funds of the Minnesota state retirement system, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation applicable to the Minnesota state retirement system would necessitate a lesser investment. The governing board of the applicable association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of Minnesota Statutes, Section 11.21, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.*

**Sec. 12.** *Laws 1959, Chapter 131, Section 25, as amended by Laws 1969, Chapter 694, Section 7; and Laws 1969, Chapter 641, Section 5, are repealed.*

**Sec. 13. [EFFECTIVE DATE.]** *Sections 4 to 8 are effective June 1, 1980. Sections 9, 10, 11, and 12 are separately effective on the day of the respective compliance with Minnesota Statutes, Section 645.021, Subdivision 3."*

Delete the title and insert:

"A bill for an act relating to retirement; changing the terms and coverage of various state and local employee retirement plans;

amending Minnesota Statutes 1978, Sections 352.90; 352.91, Subdivisions 1 and 2, and by adding a subdivision; and 356.24; Minnesota Statutes, 1979 Supplement, Sections 43.051, Subdivision 3; and 465.72; repealing Laws 1959, Chapter 131, Section 25, as amended; and Laws 1969, Chapter 641, Section 5."

The motion prevailed. So the amendment was adopted.

Mr. Peterson then moved to amend H. F. No. 1453, as follows:

Page 3, after line 1, insert:

"Sec. 4. Minnesota Statutes 1978, 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 two and one-half percent for each year and pro rata for completed months of service not exceeding 20 years and two percent for each year and pro rata for completed months of service in excess of 20 years. Effective June 1, 1973, "average monthly salary" shall mean the average of the monthly salaries for the five high years of service as a member. The monthly salary for the period prior to July 2, 1969 shall be deemed to be \$600. In lieu of the life annuity herein provided, the member or former member with 10 years or more of service may elect a joint and survivor annuity, payable to the surviving spouse a *designated beneficiary* for life, adjusted to the actuarial equivalent value of such life annuity. The joint and survivor annuity elected by a member may also provide that the elected annuity be reinstated to the life annuity herein provided, if after drawing the elected joint and survivor annuity, the spouse *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 surviving spouse *designated beneficiary*. This additional joint and survivor option with reinstatement clause shall be adjusted to the actuarial equivalent value of a regular life annuity. The member with ten or more years of service or the former member with 20 years or more of allowable service credit is deemed to have elected a 100 percent joint and survivor annuity payable only on or after the member's 55th birthdate.

*Sec. 5. Section 4 is effective the day following final enactment and shall apply to a member or former member making application for benefits thereafter."*

Amend the title as follows:

Page 1, line 4, after the semicolon insert "selection of joint and survivor annuities by members of the highway patrolmens' retirement fund;"

Page 1, line 5, delete "Section" and insert "Sections 352B.08, Subdivision 2; and"

The motion prevailed. So the amendment was adopted.

Mr. Willet moved to amend H. F. No. 1453 as follows:

Page 3, after line 1, insert:

*"Sec. 4. Notwithstanding the provisions of section 354.48, subdivision 2, an employee of the Brainerd Community College who was disabled from a day in December, 1976, to a day in January, 1978, shall be entitled to disability payments pursuant to chapter 354 for the actual period of disability. The disability payments shall not exceed \$2,840.80."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for certain disability payments;"

The motion prevailed. So the amendment was adopted.

S. F. No. 2166, which the committee recommends to pass with the following amendments offered by Messrs. Davies; Keefe, S. and Mrs. Stokowski:

Mr. Davies moved to amend S. F. No. 2166 as follows:

Page 7, line 13, after "entity" insert ", provided, however, that any project undertaken pursuant to authority granted by Minnesota Statutes, Chapter 458, 462, 472, 472A, or 474 is subject to all of the limitations contained within that chapter."

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S., moved to amend S. F. No. 2166 as follows:

Page 3, line 31, before the period insert "or the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission"

Page 4, line 10, after the period insert "Notwithstanding any contrary provisions of law or city charter, any employee of the Minneapolis industrial development commission who is not in the classified service of the city of Minneapolis, and any person employed as a director or deputy director of the Minneapolis housing and redevelopment agency shall either be transferred to employment of the agency or department, or the city of Minneapolis, or shall remain an employee of the commission or authority, as determined by the city council, and the city council may transfer the person into the classified service of the city of Minneapolis and into a position for which the person is qualified as determined by the city council."

Page 4, delete lines 11 to 19 and insert:

"Following implementation of this act, all existing employees of the Minneapolis housing and redevelopment authority except the director and deputy directors shall either be transferred to employment of the agency or department or shall continue to be employed by the Minneapolis housing and redevelopment authority or shall be transferred to employment of the city, as determined by the city council. In the event of transfer of employment to the city of Minneapolis, the city council may transfer the person into the classified service into a position for which the employee is qualified. In any event:

(a) the employee's salary shall not be diminished as a result of implementation of this act;

(b) the employee's job responsibilities shall not be substantially diminished as a result of implementation of this act;

(c) the employee shall not be required to change residence as a result of this legislation; and

(d) the employee shall have the right to apply and be considered for positions with the agency or department on an equal basis with the other employees of the agency or department. Length of service with the Minneapolis housing redevelopment authority shall count on the same basis as length of service is counted for existing employees of the city of Minneapolis.

The director and deputy directors shall be considered employees for the purposes of clauses (c) and (d)."

Page 4, line 22, after "department" insert "or as an employee of the Minneapolis housing and redevelopment authority"

Page 4, line 23, before the comma insert "or department employment or Minneapolis housing and redevelopment authority employment"

Page 5, line 31, delete "employees of" and insert "several employee groups in"

Page 5, line 32, after "department" insert "as identified by the city council"

Page 5, line 33, delete "an" and insert "as"

Page 6, line 1, delete "unit" and insert "units"

Page 6, line 8, after "agency" insert "or the Minneapolis industrial development commission"

Page 6, after line 19, insert:

"An employee of the city of Minneapolis who is transferred to employment of the Minneapolis housing and redevelopment authority shall remain a member of the retirement fund to which the employee belonged prior to the transfer, during the employment. An employee of the city of Minneapolis who is a member of the Minneapolis municipal employees retirement fund who is transferred to employment of the agency shall remain a member of the fund during the employment."

Page 7, line 2, delete "defined" and insert "provided"

Page 7, line 4, after "agency" insert "or the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission"

Page 7, line 8, after "agency" insert "or the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission"

Page 9, after line 25, insert:

"The powers authorized by this subdivision may be exercised only after either (a) the city council adopts the first ordinance exercising the powers granted pursuant to section 2, subdivision 1, or (b) the city council adopts the first ordinance granting to the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission powers authorized pursuant to section 3, subdivision 1."

Page 10, line 1, delete "defined" and insert "provided"

Page 10, after line 10, insert:

"The powers authorized by this subdivision may be exercised only after either (a) the city council adopts the first ordinance exercising the powers granted pursuant to section 2, subdivision 1 or (b) the city council adopts the first ordinance granting to the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission powers authorized pursuant to section 3, subdivision 1."

Page 10, after line 19, insert:

"Subd. 9. Notwithstanding any contrary provisions of law, if the city council grants any additional powers to the Minneapolis housing and redevelopment authority by the ordinance exercising any of the powers authorized by section 3, subdivision 1, at that time or any subsequent time the city council may, by ordinance approved by nine members of the city council, change or modify the terms, number, and the appointing authority of the commissioners of the Minneapolis housing and redevelopment authority and the city council, by ordinance approved by seven members of the city council, may also impose any of the limitations authorized in section 4 upon the Minneapolis housing and redevelopment authority. The vote of the city council adopting the ordinance shall be subject to mayoral veto and city council override.

Whenever the authority granted by this subdivision to modify the terms, numbers or appointing authority of the commissioners is first implemented, it shall be implemented only upon approval of a majority of the commissioners. No subsequent ordinance exercising the powers to modify the terms, number or appointing authority of the commissioners shall be adopted by the city council until twelve months after the approval of the first implementation of the powers granted by this subdivision to modify the terms, numbers or appointing authority of the commissioners by the commissioners.

Subd. 10. Notwithstanding any contrary provision of law or city charter, if the city council by ordinance grants any additional powers to the Minneapolis industrial development commission pursuant to section 3, subdivision 1, at that time or any subsequent time the city council may, by ordinance approved by nine members of the city council, change or modify the number, the terms and the appointing authority of the commissioners of the Minneapolis industrial development commission and the city council may, by ordinance approved by seven members of the city

council, impose any of the limitations authorized in section 4 upon the Minneapolis industrial development commission. The vote of the city council adopting the ordinance shall be subject to mayoral veto and city council override.

Subd. 11. The city council may also by ordinance grant to the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission all of the powers granted to the agency pursuant to subdivisions 3 and 4, and may apply the powers granted pursuant to subdivisions 5 and 8 to the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission."

Page 11, line 1, delete "defined" and insert "provided"

Page 11, after line 26, insert:

"Sec. 6. Minnesota Statutes, 1979 Supplement, Section 462C.07, Subdivision 3, is amended to read:

Subd. 3. Upon approval of the housing plan as provided in section 462C.01, clause (c), any port authority referred to in chapter 458 may, until July 1, ~~1980~~ 1982, issue revenue bonds of the port authority to finance multifamily housing developments undertaken in accordance with the provisions of section 462C.05, and for such purpose the port authority may exercise any and all powers set forth in chapters 458 and 474, provided that nothing herein shall be construed as authorizing a port authority to finance any housing program other than that authorized by section 462C.05. After July 1, ~~1980~~ 1982, the port authority may issue revenue bonds solely in accordance with the provisions of Laws 1979, Chapter 306, Sections 1 to 16.

Sec. 7. Minnesota Statutes 1978, Section 458.192, Subdivision 1, is amended to read:

458.192 [ADDITIONAL POWERS.] Subdivision 1. In addition to all powers conferred on such port authority under sections 458.09 to 458.19, such port authority, or any city authorized by any general or special law to exercise the powers of a port authority, to accomplish the purposes set forth in section 458.191, subdivision 1, shall have such additional powers as provided in subdivisions 2 to ~~13~~ 15.

Sec. 8. Minnesota Statutes 1978, Section 458.192, is amended by adding subdivisions to read:

*Subd. 14. Wherever the Winona port authority is authorized to use its powers for industrial development or the establishment of industrial development districts, and wherever the term "industrial" is used with relation to such purposes pursuant to chapter 458, the term or terms shall be understood to include and encompass the terms "economic" and "economic development".*

*Subd. 15. It may exercise and apply any and all of the powers and duties assigned to redevelopment agencies pursuant to chapter 474, in order to further any of the purposes and objectives of sections 458.09 to 458.1991 and 462.411 to 462.711, and may also exercise*

*and apply any and all of the powers and duties set forth in sections 458.09 to 458.1991 and 462.411 to 462.711, in order to further the purposes and policies set forth in chapter 474."*

Page 12, after line 2, insert:

"Sections 6 to 8 of this act shall be effective the day following final enactment."

Underline all new language in the bill

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "and" and insert a comma

Page 1, line 3, after "Bloomington" insert "and Winona"

Page 1, line 6, after "Bloomington" insert "; providing powers and conditions of debt for the port authority of Winona; amending Minnesota Statutes 1978, Section 458.192, Subdivision 1, and by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Section 462C.07, Subdivision 3"

The motion prevailed. So the amendment was adopted.

Mrs. Stokowski moved to amend S. F. No. 2166, as follows:

Page 11, after line 26, insert:

"Sec. 7. Minnesota Statutes, 1979 Supplement, Section 474.01, Subdivision 7b, is amended to read:

Subd. 7b. Prior to submitting an application to the commissioner of securities requesting approval of a project pursuant to subdivision 7a, the governing body or a committee of the governing body of the municipality or redevelopment agency shall conduct a public hearing on the proposal to undertake and finance the project. Notice of the time and place of hearing, and stating the general nature of the project and an estimate of the principal amount of bonds or other obligations to be issued to finance the project, shall be published at least once not less than 15 days nor more than 30 days prior to the date fixed for the hearing, in the official newspaper and a newspaper of general circulation of the municipality or redevelopment agency. The notice shall state that a draft copy of the proposed application to the commissioner of securities, together with all attachments and exhibits thereto, shall be available for public inspection following the publication of such notice and shall specify the place and times where and when it will be so available. At the time and place fixed for the public hearing, the governing body of the municipality or the redevelopment agency shall give all parties who appear at the hearing an opportunity to express their views with respect to the proposal to undertake and finance the project. Following the completion of the public hearing, the governing body of the municipality or redevelopment agency shall adopt a resolution determining whether or not to proceed with the project and its financing and

may thereafter apply to the commissioner of securities for approval of the project."

Renumber the remaining section

Page 12, after line 2, insert "Section 9 shall be effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, after the second "Winona" insert "; providing for hearings for the issuance of industrial revenue bonds;" and after "subdivision 3" insert "; 474.01, Subdivision 7b"

The motion prevailed. So the amendment was adopted.

H. F. No. 1899, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 5, line 6, delete "308.060" and insert "308.06"

Amend the title as follows:

Page 1, line 6, delete "308.060" and insert "308.06"

The motion prevailed. So the amendment was adopted.

S. F. No. 1636 which the committee recommends to pass, subject to the following motions:

Mr. Knoll moved to amend S. F. No. 1636 as follows:

Page 2, line 2, after "shall" insert "(1)"

Page 2, line 4, after "nature" insert "or (2) apply to a state university, the University of Minnesota or a state community college with respect to classes, seminars or training programs which are offered by them"

Page 2, line 9, after the period, insert "For the purposes of this section, "agency" means any state officer, employee, board, commission, authority, department or other agency or the executive branch of state government."

Page 2, line 29, delete "; provided that," and insert " . The provisions of this subdivision shall not apply to any classes, seminars or training programs offered by a state university, the University of Minnesota or a state community college."

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S. F. No. 1636.

The roll was called, and there were yeas 43 and nays 9, as follows:

Those who voted in the affirmative were:

Ashbach	Coleman	Hughes	Keefe, J.	Laufenburger
Barrette	Dieterich	Humphrey	Keefe, S.	Lessard
Benedict	Gerty	Jensen	Knaak	Luther
Chmielewski	Gunderson	Johnson	Knoll	Menning

Moe	Penny	Schaaf	Spear	Stumpf
Nelson	Perpich	Schmitz	Staples	Vega
Olhoft	Peterson	Setzepfandt	Stern	Willet
Olson	Renneke	Sikorski	Stokowski	
Omahn	Rued	Solon	Strand	

Those who voted in the negative were:

Davies	Engler	Pillsbury	Ueland, A.	Wegener
Dunn	Merriam	Sieloff	Ulland, J.	

The motion prevailed. So S. F. No. 1636 was recommended to pass.

S. F. No. 657, which the committee recommends to pass with the following amendment offered by Mr. Humphrey:

Page 1, line 10, delete "7" and insert "5"

Pages 1, 2 and 3, delete sections 3 to 5 and insert:

"Sec. 3. Minnesota Statutes 1978, Section 116H.02, is amended by adding a subdivision to read:

*Subd. 15. "Long-term disposal" means the placement of spent fuel at an away from reactor storage facility.*

Sec. 4. Minnesota Statutes 1978, Section 116H.02, is amended by adding a subdivision to read:

*Subd. 16. "Radioactive waste" when produced as a result of and incident to operation of a nuclear fission thermal power plant includes:*

*(a) Useless or unwanted capturable radioactive residues produced incidental to the use of radioactive material;*

*(b) Useless or unwanted radioactive material;*

*(c) Otherwise nonradioactive material made radioactive by contamination with radioactive material; or*

*(d) Radioactive waste does not include discharges or radioactive effluents to air or surface water when subject to applicable federal or state regulations.*

Sec. 5. Minnesota Statutes 1978, Section 116H.13, is amended by adding a subdivision to read:

*Subd. 4a. Before the director may issue a certificate of need for the construction of a new nuclear fission thermal power plant, he shall find that, in addition to all other certificate of need requirements, the following conditions have been met:*

*(1) That the cost for safe, technologically feasible long-term disposal of radioactive waste from the proposed plant can be calculated to reasonable accuracy; and*

*(2) That the utility agrees to meet all applicable standards of the appropriate agency of the federal government for the long-term disposal of radioactive waste by the time the plant begins licensed operation."*

Page 3, line 31, delete "guilty of a gross misdemeanor and"

Page 3, line 32, delete "either or both of a fine" and insert "a civil penalty"

Page 4, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "nuclear"

Page 1, delete lines 3 to 6 and insert "fission thermal power plant certificates of need; adding additional conditions; providing changes in rate base computations; amending Minnesota Statutes"

Page 1, line 7, delete "Section" and insert "Sections 116H.02, by adding subdivisions; 116H.13, by adding a subdivision; and"

The motion prevailed. So the amendment was adopted.

S. F. No. 2099, which the committee recommends to pass with the following amendments offered by Mr. Knoll:

Mr. Knoll moved to amend S. F. No. 2099 as follows:

Page 3, after line 11, insert:

"Sec. 3. Minnesota Statutes 1978, Section 462A.05, is amended by adding a subdivision to read:

*Subd. 19. It may make no interest loans of up to \$4,000 to persons and families of low and moderate income who are veterans or veterans' dependents to assist in making down payments to enable them to purchase new or existing housing to be used as their principal place of residence. To be eligible, the veterans or veteran's dependent must be a first time home owner, and must enter into an agreement with the agency, with appropriate security as determined by the agency, to repay the loan amount in full when the property is sold, transferred, or otherwise conveyed, or ceases to be the recipient's principal place of residence. For the purpose of this subdivision, "veteran" means a person residing in Minnesota who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, and who is a citizen of the United States, and who served at any time during the period from August 5, 1964 to May 7, 1975; and "veteran's dependent" means a person residing in Minnesota who is the unmarried surviving spouse of a veteran.*

Sec. 4. Minnesota Statutes 1978, Section 462A.06, Subdivision 11, is amended to read:

Subd. 11. It may make and publish rules pursuant to chapter 15 and regulations respecting its mortgage lending, construction lending, rehabilitation lending, grants, and temporary lending, and any such other rules and regulations as are necessary to ef-

fectuate its corporate purpose, and may adopt temporary rules to implement demonstration programs for the financing of residential housing.”

Page 3, after line 31, insert:

“Sec. 6. Minnesota Statutes 1978, Section 462A.21, is amended by adding a subdivision to read:

*Subd. 4g. It may create a revolving fund to be used to make loans for the purpose of section 3 and pay the costs and expenses necessary and incidental to the development and operation of the loan program authorized therein.”*

Page 4, after line 5, insert:

“Sec. 8. [APPROPRIATION.] \$3,000,000 is reappropriated from the home-ownership assistance fund created in section 462A.-21, subdivision 8, to the housing development fund created by section 462A.20 for the veteran’s housing assistance program provided by section 3, and to pay related costs and expenses.

*The approved complement of the Minnesota housing finance agency is increased by one position.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after “agency;” insert “creating a veteran’s housing assistance program;”

Page 1, line 7, after “properties;” insert “appropriating money;”

Page 1, line 8, delete “Section” and insert “Sections”

Page 1, line 9, after “17” insert “, and by adding a subdivision” and after the semicolon, insert “462A.06, Subdivision 11; 462A.21, by adding a subdivision”

The motion prevailed. So the amendment was adopted.

Mr. Knoll then moved to amend S. F. No. 2099 as follows:

Page 4, after line 5, insert:

“Sec. 5. Minnesota Statutes, 1979 Supplement, Section 462C.05, Subdivision 1, is amended to read:

462C.05 [MULTIFAMILY HOUSING DEVELOPMENTS.] Subdivision 1. A city may also plan, administer, and make or purchase a loan or loans to finance one or more multifamily housing developments within its boundaries, of the kind described in subdivisions 2, 3 or 4, and upon the conditions set forth in this section. A loan may be made or purchased for the acquisition and preparation of a site and the construction of a new development, or for the acquisition of an existing building and site and the rehabilitation thereof, provided that:

(a) The cost of rehabilitation of an existing building is estimated to equal at least \$5,000 per dwelling unit or 50 percent of the appraised value of the original building and site, whichever is less

*or if the rehabilitation is financed in part by proceeds from a program provided by the federal government pursuant to 24 C.F.R. Sections 882.401 to 882.519 or pursuant to section 312 of the Housing Act of 1964 (42 U.S.C. Section 1452b), the cost of rehabilitation of an existing building is estimated to equal at least \$2,000 per dwelling unit or 20 percent of the appraised value of the original building and site whichever is less ;*

(b) At least a substantial portion of such rehabilitation cost is estimated to be incurred for compliance with building codes or conservation of energy;

(c) Each development upon completion shall comply with all applicable code requirements;

(d) A loan or loans may be made or purchased for either the construction or the long term financing of a development, or both, including the financing of the acquisition of dwelling units and interests in common facilities provided therein, by persons to whom such units and facilities may be sold as contemplated in chapter 515 or any supplemental or amendatory law thereof; and

(e) Substantially all of the proceeds of each loan shall be used to pay the cost of a multifamily housing development, including property functionally related and subordinate to it; but nothing herein prevents the construction of the development over, under, or adjacent to, and in conjunction with facilities to be used for purposes other than housing."

Amend the title as follows:

Page 1, line 7, after "properties;" insert "changing municipal housing rehabilitation programs"

Page 1, line 11, delete "and"

Page 1, line 12, before the period insert "; and 462C.05, subdivision 1"

The motion prevailed. So the amendment was adopted.

H. F. No. 1534, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Mr. Merriam moved to amend H. F. No. 1534, as amended pursuant to Rule 49, adopted by the Senate March 20, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1549.)

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1978, Section 357.021, Subdivision 2, is amended to read:

Subd. 2. The fees to be charged and collected by the clerk of district court shall be as follows:

(1) In every civil action or proceeding in said court, the plain-

tiff, petitioner, or other moving party shall pay, when the first paper on his part is filed in said action, a fee of \$20.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper on his or their part is filed in said action, a fee of \$15.

The party requesting a trial by jury shall pay \$15.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 106, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5 and ~~\$3.50~~ 50 cents for an uncertified copy.

(3) Issuing a subpoena \$1 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.

(7) Certificate as to existence or non-existence of judgments docketed, \$1 for each name certified to and \$1 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "real estate" and insert "fees"

Page 1, line 2, after the semicolon, insert "decreasing fees for copies of certain court documents;"

The motion prevailed. So the amendment was adopted.

H. F. No. 2185, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 1, line 20, delete "this act" and insert "sections 1 and 2"

Page 2, line 1, delete "This act is" and insert "*Sections 1 and 2 are*"

Page 2, after line 5, insert:

"Sec. 4. Laws 1974, Chapter 400, Section 3, Subdivision 5, is amended to read:

Subd. 5. "Local government unit" or "government unit" means the town of Moose Lake and the town of Windemere *and any municipalities subsequently annexed to the district.*

Sec. 5. Laws 1974, Chapter 400, Section 3, Subdivision 12, is amended to read:

Subd. 12. "District disposal system" means any and all of the interceptors or treatment works owned, constructed or operated by the board unless designated by the board as local sanitary sewer facilities ; *and includes any water system or refuse disposal system facilities owned, constructed or operated by the board.*

Sec. 6. Laws 1974, Chapter 400, Section 4, Subdivision 2, is amended to read:

Subd. 2. [MEMBERS AND SELECTION.] The board shall be composed of five members selected as follows: ~~The town boards of the government units shall meet jointly to appoint the members of the board and each town board member shall have one vote. The town boards at the joint meeting shall also designate the term of the first board members according to subdivision 5 two members appointed by the Moose Lake town board, two members appointed by the Windemere town board, two members appointed by the governing body of each municipality subsequently annexed to the district, and one member who shall reside in the district, appointed by majority vote of the foregoing members. Each member shall have one vote on matters coming before the board .~~

Sec. 7. Laws 1974, Chapter 400, Section 4, Subdivision 9, is amended to read:

Subd. 9. [BOARD MEMBERS' COMPENSATION.] Each board member, except the chairman, shall be paid a per diem compensation of \$35 for meetings ~~and for other services as are specifically authorized by the board~~ , not to exceed \$1,000 in any one year. The chairman shall be paid a per diem compensation of \$45 for meetings ~~and for such other services as are specifically authorized by the board~~ , not to exceed \$1,500 in any one year. *In addition, the chairman and other board members shall be compensated at the rate of \$35 per day for other services as are specifically authorized by the board, without regard to the above annual limitations.* All members of the board shall be reimbursed for all reasonable expenses incurred in the performance of their duties as determined by the board.

Sec. 8. Laws 1974, Chapter 400, Section 8, is amended by adding a subdivision to read:

*Subd. 5. In addition to all other powers conferred upon the*

*board in this section, it shall have all the powers of a sanitary district as provided in Minnesota Statutes, Section 115.26. The provisions of Laws 1974, Chapter 400, Section 12, shall apply and be followed with respect to any projects initiated pursuant to the authority granted in this subdivision.*

*Sec. 9. Sections 4 to 8 are effective the day following final enactment."*

Underline all new language in the bill

Amend the title as follows:

Page 1, line 2, delete everything after "to"

Page 1, line 3, delete "Kanabec County" and insert "public improvements"

Page 1, line 5, delete "district" and insert "Knife Lake Improvement District in Kanabec County; changing definitions, board membership, compensation, and powers of the Moose Lake-Windemere Sewer District; amending Laws 1974, Chapter 400, Sections 3, Subdivisions 5 and 12; 4, Subdivisions 2 and 9; and 8, by adding a subdivision"

The motion prevailed. So the amendment was adopted.

H. F. No. 2191, which the committee recommends to pass, subject to the following motion:

Mr. Laufenburger moved that the amendment made to H. F. No. 2191 by the Committee on Rules and Administration in the report adopted March 20, 1980, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 2369, which the committee recommends to pass, subject to the following motion:

Mr. Dieterich moved that the amendment made to H. F. No. 2369 by the Committee on Rules and Administration in the report adopted March 20, 1980, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 1095 which the committee reports progress, subject to the following motion:

Mr. Davies moved to amend H. F. No. 1095 as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 518.156, Subdivision 1, is amended to read:

518.156 [COMMENCEMENT OF CUSTODY PROCEEDING.] Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) By a parent

(1) By filing a petition for dissolution or legal separation; or

(2) Where a decree of dissolution or legal separation has been entered or where none is sought, by filing a petition or motion seeking custody of the child in the county where the child is permanently resident or where he is found or where an earlier order for custody of the child has been entered; or

(b) By a person other than a parent, by filing a petition or motion seeking custody of the child in the county where the child is permanently resident or where he is found or where an earlier order for custody of the child has been entered."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "courts" and insert "venue; providing for venue for child custody proceedings"

Page 1, line 7, after "542.18" insert "; and Minnesota Statutes, 1979 Supplement, Section 518.156, Subdivision 1"

The motion prevailed. So the amendment was adopted.

H. F. No. 1095 was then progressed.

H. F. No. 1727, which the committee recommends to pass with the following amendments offered by Messrs. Sieloff and Davies:

Mr. Sieloff moved to amend H. F. No. 1727, as amended pursuant to Rule 49, adopted by the Senate March 20, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2348.)

Page 2, after line 22, insert:

"Sec. 3. Minnesota Statutes 1978, Chapter 257, is amended by adding a section to read:

[257.34] [DECLARATION OF PARENTAGE.] *Subdivision 1. The mother and father of an illegitimate child may, in a writing signed by both of them before a notary public, declare and acknowledge under oath that they are the biological parents of the child. The declaration may provide that any illegitimate child born to the mother on or before ten months after the date of execution of the declaration is the biological child of the signatories. Execution of the declaration shall:*

(a) *Have the same consequences as an acknowledgement by the signatories of parentage of the child for the purposes of sections 62A.041 and 62C.14, subdivision 5a;*

(b) *Be conclusive evidence that the signatories are parents of the child for the purposes of sections 176.111 and 197.09 to 197.11;*

(c) *Have the same consequences as an acknowledgement by the father of paternity of the child for the purposes of sections 257.251 and 257.252;*

(d) *When timely filed with the division of vital statistics of the Minnesota department of health as provided in section 259.261,*

*qualify as an affidavit stating the intention of the signatories to retain parental rights as provided in section 259.261 if it contains the information required by section 259.261 or rules promulgated thereunder;*

*(e) Have the same consequences as a writing declaring paternity of the child for the purposes of section 525.172; and*

*(f) Be conclusive evidence that the signatories are parents of the child for the purposes of chapter 573.*

*Subd. 2. The declaration authorized by subdivision 1 shall be conclusive evidence of all the matters stated therein and shall have the same effect as an adjudication of paternity for the purposes of the statutory provisions described in subdivision 1.*

*Subd. 3. The declaration authorized by subdivision 1 shall not affect the rights or duties arising out of a parent-child relationship of any person not a signatory to the declaration claiming to be the parent of the child nor shall the declaration impair any rights of the child arising out of a parent-child relationship against any person not a signatory to the declaration."*

Page 2, line 33, delete "4" and insert "5"

Page 4, line 12, delete "6" and insert "7"

Page 5, line 10, delete "and 2" and insert "to 3"

Page 5, line 11, delete "3 to 8" and insert "4 to 9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing a multi-purpose declaration of parentage;"

Page 1, line 11, delete "and"

Page 1, line 11, after the second semicolon, insert "and Chapter 257, by adding a section;"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend H. F. No. 1727, as amended pursuant to Rule 49, adopted by the Senate March 20, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2348.)

Page 5, after line 6, insert:

"Sec. 8. Minnesota Statutes 1978, Section 260.221, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.] The juvenile court may, upon petition, terminate all rights of parents *a parent* to a child in the following cases:

(a) With the written consent of parents *a parent* who for good cause ~~desire~~ *desires* to terminate ~~their~~ *his* parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parents have parent has abandoned the child; or

(2) That the parents have parent has substantially and , continuously, or repeatedly refused or neglected to give the child necessary parental care and protection comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental or emotional health and development, if the parent is physically and financially able; or

(3) That, although the parents are financially able, they have substantially and continuously neglected to provide the child with necessary subsistence, education, or other care necessary for his physical or mental health or morals or have neglected to pay for such subsistence, education or other care when legal custody is lodged with others a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That the parents are unfit by reason of debauchery, intoxication or habitual use of narcotic drugs, or repeated lewd and lascivious behavior, or other conduct found by the court to be likely to be detrimental to the physical or mental health or morals of the child a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be permanently detrimental to the physical or mental health of the child; or

(5) That following upon a determination of neglect or dependency, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination; or

(6) That in the case of an illegitimate child the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of his intention to retain parental rights under section 259.261 or that such notice has been successfully challenged; or

(7) That the child is neglected and in foster care.

Sec. 9. Minnesota Statutes 1978, Section 260.241, Subdivision 1, is amended to read:

260.241 [TERMINATION OF PARENTAL RIGHTS; EFFECT.] Subdivision 1. If, after a hearing, the court finds by clear and convincing evidence that one or more of the conditions set out in section 260.221 exist, it may terminate parental rights. If the court terminates parental rights of both parents, or of the

mother if the child is illegitimate, or of the only living parent, the court shall order guardianship and legal custody of the child transferred to:

(a) The commissioner of public welfare, or

(b) A licensed child placing agency, or

(c) A reputable individual of good moral character. Upon the termination of parental rights all rights, powers, privileges, immunities, duties, and obligations, including any rights to custody, control, visitation, or support existing between the child and parent shall be severed and terminated and the parent shall have no standing to appear at any further legal proceeding concerning the child. Provided, however, that a parent whose parental rights are terminated shall remain liable for the unpaid balance of any support obligation owed under a court order upon the effective date of the order terminating parental rights.

Sec. 10. Minnesota Statutes 1978, Section 260.241, Subdivision 2, is amended to read:

Subd. 2. (a) A guardian appointed under the provisions of subdivision 1 has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards such custody to a person other than such guardian, the guardian nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.

(b) Such guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when such consent is legally required) to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to clause (a) of subdivision 1, the commissioner of public welfare is appointed such guardian, he may delegate to the welfare board of the county in which, after such appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.

(c) A guardianship created under the provisions of subdivision 1 shall not in itself include the guardianship of any estate of the ward. An order terminating the parent and child relationship shall not disentitle a child to any benefit due the child from any third person, agency, state, or the United States, nor shall any action under this section be deemed to affect any rights and benefits that a child derives from the child's descent from a member of a federally recognized Indian tribe.

Sec. 11. Minnesota Statutes 1978, Chapter 260, is amended by adding a section to read:

[260.242] [GUARDIAN.] Subdivision 1. If the court terminates parental rights of both parents or of the only known living parent, the court shall order the guardianship and the legal custody of the child transferred to:

(a) *The commissioner of public welfare; or*

(b) *A licensed child placing agency; or*

(c) *An individual who is willing and capable of assuming the appropriate duties and responsibilities to the child.*

*Subd. 2. (a) A guardian appointed under the provisions of subdivision 1 has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards custody to a person other than the guardian, the guardian nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.*

*(b) The guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when consent is legally required) to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to subdivision 1, clause (a), the commissioner of public welfare is appointed guardian, he may delegate to the welfare board of the county in which, after the appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.*

*(c) A guardianship created under the provisions of subdivision 1 shall not of itself include the guardianship of the estate of the ward."*

Page 5, line 11, delete "8" and insert "7 and 12"

Page 5, line 14, after the period, insert "Sections 8 to 11 are effective August 1, 1980."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "changing certain procedures and criteria for termination of parental rights;"

Page 1, line 11, delete "and"

Page 1, line 11, after the second semicolon, insert "260.221; 260.241, Subdivisions 1 and 2; and Chapter 260, by adding a section;"

The motion prevailed. So the amendment was adopted.

H. F. No. 1837, which the committee recommends to pass with the following amendment offered by Mr. Ulland, J.:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1978, Section 60A.17, is amended by adding a subdivision to read:

*Subd. 2b. [TEMPORARY LICENSE FOR QUALIFIED PERSON.] The commissioner shall grant a temporary license to act as*

*an insurance agent to a person satisfying the requirements of subdivision 2, clauses (2) and (3).*

*Such person shall receive a temporary license to act as insurance agent no later than the date upon which he receives notification from the commissioner that he has passed the examination required by subdivision 2, clause (2).*

*The temporary license authorized by this subdivision shall be issued for the insurance company which has endorsed the person's application for license. It shall be limited to the line or lines of insurance for which the applicant has satisfactorily completed the written examination and it shall be valid until the license required by subdivision 1 is obtained from the commissioner. In no event shall the temporary license be valid for a period in excess of 90 days."*

Page 2, line 7, delete "Sections 1 and 2 are" and insert "This act is"

Renumber the remaining sections

Further amend the title as follows:

Page 1, line 2, after the semicolon insert: "requiring the issuance of temporary licenses to certain qualified persons;"

Page 1, line 6, after "Sections" insert "60A.17, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

S. F. No. 2351, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 2, delete section 2

The motion prevailed. So the amendment was adopted.

H. F. No. 1435 which the committee reports progress, subject to the following motions:

Mr. Merriam moved to amend H. F. No. 1435 as follows:

Page 2, after line 7, insert:

*"Sec. 2. Subdivision 1. There is established a joint legislative study commission to examine the educational programs for primary patient care of the University of Minnesota Medical School and the cost and funding sources for residency programs at teaching hospitals. Five members shall be members of the house of representatives appointed pursuant to the rules of the house and five shall be members of the senate appointed pursuant to the rules of the senate.*

*Subd. 2. The commission shall elect a chairman and other officers as may be required from among its membership. Staff assistance shall be provided upon request of the commission by existing departments and agencies in the legislative and executive branches. Meetings shall be held at times and locations deter-*

mined by the chairman. Members shall receive compensation in the same manner and amounts as provided for legislative committee service.

*Subd. 3. The commission shall determine the effectiveness of the educational programs in teaching the concepts and skills which are necessary to provide optimal and cost-effective patient care.*

*Subd. 4. The commission shall, prior to January 7, 1982, submit to the legislature a report containing the commission's findings and recommendations including the following:*

*(a) Overall educational planning for the teaching of primary care physicians in the departments of medicine (general internists), family practice (family practitioners), and pediatrics (general pediatricians);*

*(b) The balance in each of the primary care departments between the requirements of the education of teachers and researchers and the requirements of the education of practitioners for the community;*

*(c) The balance between the role of the academic center (tertiary care, University centered hospitals) and the role of the community hospitals as providers of educational resources for the education of teachers and researchers and the education of practitioners;*

*(d) The body of knowledge being taught primary physicians by each of the above departments to enable them to fulfill their responsibilities effectively;*

*(e) The body of knowledge being taught the academically oriented or subspecialty oriented physician by each of the primary care departments to enable them to fulfill their responsibilities effectively;*

*(f) The educational and experiential backgrounds required for faculty appointment and promotion of teachers in each of the above departments;*

*(g) Appropriateness of the balance between primary care educational facilities and other educational facilities in the overall teaching programs of each of the primary care departments;*

*(h) The sources of money (legislative appropriations, grants, private practice income), and the allocation of such moneys within the department;*

*(i) The cost and funding sources of residency programs at teaching hospitals, including an analysis of the need for increased state funding of residency programs;*

*(j) The use of the resident's time in the various programs (the balance between education, research, and service); and*

*(k) The per capita cost of educating the residents in the various programs.*

Sec. 3. *The sum of \$20,000 is appropriated from the general fund to the commission established by section 2 for the payment of expenses incurred in the operation of the commission, and shall be available until March 1, 1982.*"

Page 2, line 8, delete "2" and insert "3"

Page 2, line 9, after the period, insert "*The provisions of sections 2 and 3 shall expire on March 1, 1982.*"

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for a study commission on medical education; appropriating money;"

The motion prevailed. So the amendment was adopted.

Mr. Gunderson moved to amend H. F. No. 1435 as follows:

Page 2, after line 7, insert:

"Sec. 2. [REPEALER.] *Minnesota Statutes 1978, Sections 144.59; 144.60; 144.61; 144.62; 144.63; 144.64; and 144.65 are repealed.*"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "abolishing the hospital administrator registration program;"

Page 1, line 5, before the period, insert "; repealing Minnesota Statutes 1978, Sections 144.59 to 144.65"

The motion prevailed. So the amendment was adopted.

H. F. No. 1435 was then progressed.

H. F. No. 874 which the committee reports progress, subject to the following motions:

Mr. Schaaf moved to amend the amendment placed on H. F. No. 874 by the Committee on Governmental Operations, adopted by the Senate on March 6, 1980, as follows:

Section 6, subdivision 4e, line 4, after the period, insert: "*If the agency makes changes in the rule other than those recommended by the hearing examiner, it shall submit the rule with the complete hearing record to the chief hearing examiner for a review of the changes prior to adopting it and submitting it to the attorney general for a review as to form and legality.*"

The motion prevailed. So the amendment was adopted.

Mr. Schaaf then moved to amend the amendment placed on H. F. No. 874 by the Committee on Governmental Operations, adopted by the Senate on March 6, 1980, as follows:

Page 29, after line 17, insert:

"Sec. 37. Minnesota Statutes 1978, Section 15.0412, Subdivision 1, is amended to read:

15.0412 [RULES, PROCEDURES.] Subdivision 1. Each agency shall adopt, amend, suspend or repeal its rules in accordance with the procedures specified in sections 15.0411 to 15.052, and only pursuant to authority delegated by law and in full compliance with its duties and obligations. Except as provided in subdivision 3, sections 15.0411 to 15.052 shall not be authority for an agency to adopt, amend, suspend or repeal rules. No agency shall adopt a rule which duplicates language contained in Minnesota Statutes unless the hearing examiner determines that duplication of the language is crucial to the ability of a person affected by a rule to comprehend its meaning and effect. *When presented with a rule for endorsement pursuant to section 38, the revisor of statutes should indicate in the endorsement that the rule duplicates statutory language.*

Sec. 38. Minnesota Statutes 1978, Section 15.0412, Subdivision 2a, as added by section 5, is further amended to read:

Subd. 2a. *The revisor of statutes may upon request, provide technical and legal assistance to state agencies in drafting rules. No procedure to adopt a rule, temporary rule, or emergency rule, shall be initiated by any agency until the agency presents it to the revisor of statutes and the revisor endorses on the rule that its form is approved. The revisor may assist in drafting rules as provided by section 54.*

Sec. 39. Minnesota Statutes 1978, Section 15.0412, Subdivision 3, is amended to read:

Subd. 3. Each agency shall adopt rules, *in the form prescribed by the revisor of statutes*, setting forth the nature and requirements of all formal and informal procedures related to the administration of official agency duties to the extent that those procedures directly affect the rights of or procedures available to the public.

Sec. 40. Minnesota Statutes 1978, Section 15.0412, Subdivision 4, as amended by section 6, is further amended to read:

Subd. 4. No rule shall be adopted by any agency unless the agency first holds a public hearing thereon, affording all affected interests an opportunity to participate. Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to hold a hearing by United States mail to all persons on its list, and by publication in the state register. Each agency may, at its own discretion, also contact persons not on its list and may give notice of its intention to hold a hearing in newsletters, newspapers or other publications or through other means of communication. The notice in the state register shall include the full text of the rule proposed for adoption and, *when amending existing rules*, whatever portion of *the existing rules* is necessary to provide ade-

quate notice of the nature of the proposed action. When an entire rule is proposed to be repealed or renumbered, the agency need only publish that fact, giving the exact citation to the rule to be repealed or renumbered in the notice.

Sec. 41. Minnesota Statutes 1978, Section 15.0412, Subdivision 4a, as amended by section 6, is further amended to read:

Subd. 4a. ~~With the approval of the chief hearing examiner, the agency may incorporate by reference provisions of federal law or rule or other materials from sources which the chief hearing examiner determines are conveniently available for viewing, copying and acquisition by interested persons. The chief hearing examiner shall not approve incorporation by reference of federal law or rule or other materials which are less than 3000 words in length or which would require less than five pages of publication in the state register. An agency may incorporate by reference into its rules text from the Minnesota Statutes, the United States Statutes at Large, the United States Code, the Laws of Minnesota, the Code of Federal Regulations, the Federal Register, and other publications which are determined by the revisor of statutes to be conveniently available to the public.~~

Sec. 42. Minnesota Statutes 1978, Section 15.0412, Subdivision 4e, as amended by section 6, is further amended to read:

Subd. 4e. If the agency adopts the rule as recommended by the hearing examiner, it shall be submitted with the complete hearing record to the attorney general, who shall review the rule as to ~~form and its legality and its form to the extent the form relates to legality~~. If the chief hearing examiner determines that the proposed final rule of the agency is substantially different from that which was proposed at the public hearing, he shall advise the agency of actions which will correct the defects, and the agency shall not adopt the rule until the chief hearing examiner determines that the defects have been corrected. If the agency, the chief hearing examiner or the attorney general requests, the hearing examiner shall cause a transcript to be prepared of the hearing. The agency shall give notice to all persons who requested to be informed that the hearing record has been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. The attorney general shall, within 20 days, either approve or disapprove the rule. If he approves the rule, he shall promptly file *two copies* of it in the office of the secretary of state. If he disapproves the rule, he shall state in writing his reasons therefor, and the rule shall not be filed in the office of the secretary, nor published. *The secretary of state shall forward one copy of each rule filed to the revisor of statutes.*

Sec. 43. Minnesota Statutes 1978, Section 15.0412, Subdivision 4f, as amended by section 6, is further amended to read:

Subd. 4f. A rule shall become effective after it has been subjected to all requirements described in subdivisions 4 through 4g and five working days after publication in the state register, as

hereinafter provided, unless a later date is required by statutes or specified in the rule. If the rule as adopted does not differ from the proposed rule as published in the state register, publication may be made by publishing notice in the state register that the rule has been adopted as proposed and by publishing a citation to the prior publication. If the rule as adopted differs from the proposed rule, the adopted rule or subdivisions thereof which differ from the proposed rule shall be published together with a citation to the prior state register publication of the remainder of the proposed rule.

Sec. 44. Minnesota Statutes 1978, Section 15.0412, is amended by adding a subdivision to read:

*Subd. 4g. No rule shall be filed with the secretary of state or published in the state register unless the revisor of statutes has endorsed on the rule that it is approved as to form.*

Sec. 45. Minnesota Statutes 1978, Section 15.0412, Subdivision 4g, as added by section 7, is further amended to read:

Subd. 4g 4h. When an agency determines that its proposed adoption, amendment, suspension or repeal of a rule will be non-controversial in nature, it may utilize the provisions herein in lieu of the provisions of subdivisions 4 through 4f 4g. The agency shall publish a notice of its intent to adopt the rule without public hearing, together with the proposed rule, in the state register, and shall give the same notice by United States mail to persons who have registered their names with the agency pursuant to subdivision 4. When an entire rule is proposed to be repealed or renumbered, the agency need only publish that fact, giving the exact citation to the rule to be repealed or renumbered in the notice. The notice shall include a statement advising the public:

(1) that they have 30 days in which to submit comment on the proposed rule;

(2) that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30 day comment period;

(3) of the manner in which persons shall request a hearing on rules proposed pursuant to this subdivision; and

(4) that the rule may be modified if modifications are supported by the data and views submitted.

Before the date of the notice, the agency shall prepare a statement of need and reasonableness which shall be available to the public. For at least 30 days following the notice, the agency shall afford all interested persons an opportunity to object to the lack of a hearing and to submit data and views on the proposed rule in writing. The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change. If, during the 30 day period allowed for comment, seven or more persons submit to the agency a written request for a hearing of the proposed rule, the

agency shall proceed under the provisions of subdivisions 4 through 4f 4g. In the event that a hearing is required, a citation in the state register to the prior publication of the proposed rule may be substituted for republication unless the agency has modified the proposed rule. If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. The attorney general shall approve or disapprove the rule as to form and its legality and its form to the extent the form relates to legality, including the issue of substantial change, within 14 days. If he approves the rule, he shall promptly file two copies of it in the office of the secretary of state. If he disapproves the rule, he shall state in writing his reasons therefor, and the rule shall not be filed in the office of the secretary of state, nor published. The rule shall become effective upon publication in the state register in the same manner as provided for adopted rules in subdivision 4f. The secretary of state shall forward one copy of each rule to the revisor of statutes.

*No rule shall be filed with the secretary of state or published in the state register unless the revisor of statutes has endorsed on the rule that it is approved as to form.*

Sec. 46. Minnesota Statutes 1978, Section 15.0412, Subdivision 5, as amended by section 5, is further amended to read:

Subd. 5. When an agency is directed by statute, federal law or court order to adopt, amend, suspend or repeal a rule in a manner that does not allow for compliance with subdivisions 4 through 4g 4h, or if an agency is expressly required or authorized by statute to adopt temporary rules, the agency shall adopt temporary rules in accordance with this subdivision. The proposed temporary rule shall be published in the state register and . For at least 20 days thereafter after publication the agency shall afford all interested persons an opportunity to submit data and views on the proposed temporary rule in writing. The proposed temporary rule may be modified if the modifications are supported by the data and views submitted to the agency. The agency shall submit to the attorney general the proposed temporary rule as published, with any proposed modifications. The attorney general shall review the proposed temporary rule as to form and its legality and its form to the extent the form relates to legality and shall approve or disapprove the proposed temporary rule and any proposed modifications within five working days. The temporary rule shall take effect upon approval of the attorney general. The attorney general shall file two copies of the approved rule with the secretary of state. Failure of the attorney general to approve or disapprove within five working days shall be deemed approval. As soon as practicable notice of the attorney general's decision shall be published in the state register and the adopted rule shall be published in the

manner as provided for adopted rules in subdivision 4. Temporary rules adopted under this subdivision shall be effective for not longer than 90 days and may be reissued or continued in effect for an additional 90 days, but may not immediately be reissued thereafter without following the procedure of *either* subdivisions 4 through 4g or 4h. *The secretary of state shall forward one copy of each approved and filed temporary rule to the revisor of statutes.*

*No approved temporary rule shall be filed with the secretary of state or published in the state register unless the revisor of statutes has endorsed on the rule that it is approved as to form.*

Sec. 47. Minnesota Statutes 1978, Section 15.0412, Subdivision 9, as added by section 11, is further amended to read:

Subd. 9. The agency shall, within six months after issuance of the hearing examiner's report, either withdraw the proposed rules or publish its adopted final action in the state register. If the agency has not *both filed the rules with the secretary of state and published its adopted final action in the state register within six months*, it shall not proceed to adopt the subject rules without rehearing the rules pursuant to all the procedures of this section, and it shall report to the appropriate committees of the legislature and to the governor its failure to adopt rules and the reasons for that failure.

Sec. 48. Minnesota Statutes 1978, Section 15.0412, is amended by adding a subdivision to read:

*Subd. 10. For the purpose of obtaining the revisor's approval of the form of a rule prior to filing the rule with the secretary of state, a copy of the rule shall be submitted to the revisor at the same time it is submitted to the attorney general as required by subdivisions 4d, 4e, and 5. Within five days the revisor shall notify the attorney general and the agency of whether he or she will approve the form of the rule when it is presented for his or her endorsement.*

Sec. 49. Minnesota Statutes 1978, Section 15.0413, Subdivision 1, as amended by section 12, is further amended to read:

15.0413 [EFFECT OF ADOPTION OF RULES; PUBLICATION; APPROPRIATION.] Subdivision 1. Every rule approved by the attorney general and filed in the office of the secretary of state as provided in section 15.0412 shall have the force and effect of law five working days after its publication in the state register unless a later date is required by statute or specified in the rule. The secretary of state shall keep a permanent record of rules filed with that office open to public inspection. ~~Should a discrepancy exist between the rules published in the state register and the rules on file with the secretary of state, the rules on file with the secretary of state shall have effect.~~

Sec. 50. Minnesota Statutes 1978, Section 15.05, is amended to read:

15.05 [PUBLICATION ACCOUNT.] An administrative rules

and A state register publication account is created in the state treasury. All receipts from the sale of rules and the state register shall be deposited in the account. All funds in the administrative rules and state register publication account in the state treasury are appropriated annually to the commissioner of administration to carry out the provisions of sections 15.047 and section 15.051.

Sec. 51. Minnesota Statutes 1978, Section 15.051, Subdivision 1, is amended to read:

15.051 [STATE REGISTER.] Subdivision 1. [PURPOSE.] The commissioner of administration shall publish a state register containing all notices for hearings concerning rules, giving time, place and purpose of the hearing and the full text of the action being proposed. Further, the register shall contain all rules, amendments, suspensions, or repeals thereof, pursuant to the provisions of this chapter. The commissioner shall further publish any executive order issued by the governor which shall become effective 15 days after publication except as provided in section 4.035, subdivision 2. The commissioner shall further publish any official notices in the register which a state agency requests him to publish. Such notices shall include, but shall not be limited to, the date on which a new agency becomes operational, the assumption of a new function by an existing state agency, or the appointment of commissioners. The commissioner may prescribe the form, *excluding the form of the rules*, and manner in which agencies submit any material for publication in the state register, and he may withhold publication of any material not submitted according to the form or procedures he has prescribed.

The commissioner of administration may organize and distribute the contents of the register according to such categories as will provide economic publication and distribution and will offer easy access to information by any interested party.

Sec. 52. Minnesota Statutes 1978, Section 648.31, is amended by adding a subdivision to read:

*Subd. 6. [AGENCY RULES.] The revisor may integrate agency rules adopted pursuant to Minnesota Statutes, Section 15.0412, Subdivisions 4, 4a to 4h, and 5, into the Minnesota Statutes, or publish the rules as an adjunct to the Minnesota Statutes, or coordinate publication of the rules with the Minnesota Statutes.*

Sec. 53. Minnesota Statutes 1978, Section 648.43, is amended to read:

648.43 [PAMPHLETS AUTHORIZED.] *The commissioner of administration is required to revisor of statutes shall compose, print and deliver in pamphlet form such editions or pamphlets containing parts of the Minnesota Statutes, parts of Minnesota Rules, or combinations of parts of the Statutes and Rules as may be necessary for the use of public officers and departments, the cost thereof to be borne by the office or department requesting the same pamphlets. Such The printing shall be discretionary, limited to actual needs as shown by experience or other competent proof. The revisor shall use a standard form for the pamphlets.*

**Sec. 54. [648.50] [COMPILATION AND DRAFTING OF ADMINISTRATIVE RULES.]** *Subdivision 1. The revisor of statutes shall:*

(a) *formulate a plan for the compilation of all permanent agency rules and, to the extent practicable, temporary agency rules, including their order, classification, arrangement, form, and indexing, and any appropriate tables, annotations, cross references, citations to applicable statutes, explanatory notes, and other appropriate material to facilitate use of the rules by the public, and for the compilation's composition, printing, binding and distribution;*

(b) *publish the compilation of agency rules which shall be called "Minnesota Rules" for the year of the compilation's publication;*

(c) *periodically either publish a supplement or a new compilation, which includes all rules adopted since the last supplement or compilation was published and removes rules incorporated in prior compilations or supplements which are no longer effective;*

(d) *periodically prepare and submit to the appropriate agency those revisions of the rules, which will, if adopted by the agency, in accordance with section 15.0412, subdivisions 4a to 4g, clarify, modernize or simplify the text of the rule without substantive alteration;*

(e) *maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with the objective or other instructions which the agency shall give the revisor;*

(f) *prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply; and*

(g) *copyright any compilations and or supplements in the name of the state of Minnesota.*

*Subd. 2. The revisor of statutes shall file with the secretary of state one copy of each compilation or supplement which is published. The copy shall contain the revisor's certificate that the rules contained in the compilation or supplement have been compared to the original rules filed with the secretary of state and are correctly incorporated into the compilation.*

*Subd. 3. Any compilation or supplement published by the revisor and containing his certificate is prima facie evidence of the administrative rules in all courts and proceedings. A compilation or supplement shall not be construed as repealing an unpublished rule. If there is any inconsistency through omission or otherwise between a compilation or supplement, the state register, and a rule filed with the secretary of state, the rule filed with the secretary shall prevail.*

*Subd. 4. In preparing a compilation or supplement, the revisor shall not alter the sense, meaning or effect of any rule, but may renumber rules, paragraphs, clauses or other parts of a rule; com-*

bine or divide rules, paragraphs, clauses or other parts of a rule; rearrange the order of rules, paragraphs, clauses, or other parts of a rule; move paragraphs, clauses, or other parts of a rule to another rule; change reference numbers to agree with renumbered rules, paragraphs, clauses or other parts of a rule; substitute the proper rule, paragraph, clause, or other part of a rule for the term "this rule", "the preceding rule" and the like; substitute numbers for written words and written words for numbers; substitute the date on which the rule becomes effective for the words "the effective date of this rule", and the like; change capitalization for the purpose of uniformity; correct manifest clerical or typographical errors; correct all misspelled words; and correct manifest grammatical and punctuation errors.

The revisor shall provide headnotes as catch words to rules and, if appropriate, to paragraphs, clauses, or other parts of a rule. The headnotes are not part of the rule even if included with the rule when it is adopted. The revisor shall change headnotes to clearly indicate the subject matter of the rules.

Subd. 5. Insofar as economically feasible, the revisor shall utilize the same equipment, computer assistance and procedures for drafting agency rules and publishing compilations and supplements as for preparing bill drafts and statutory publications.

Subd. 6. In determining the form of rules the revisor shall:

- (a) minimize duplication of statutory language;
- (b) not permit incorporations into the rules by reference of publications which are not conveniently available to the public;
- (c) to the extent practicable, use plain language in rules and avoid technical language; and
- (d) amend rules by showing the text of the rule, paragraph, clause, or other part of a rule being amended, as it is shown in the latest compilation or supplement, or, if not yet published in a compilation or supplement, then as the text is shown in the state register, with changes shown by striking and underlining words.

Subd. 7. Any compilation, reissue, or supplement published by the revisor shall be sold by the revisor for a reasonable fee and its proceeds deposited in the general fund. An agency shall purchase from the revisor the number of copies of the compilation or supplement needed by the agency. The revisor shall provide one copy of any compilation or supplement to all Minnesota county libraries and to any public library upon its request.

Sec. 55. Minnesota Statutes 1978, Section 15.047, is repealed."

Page 29, after line 28, insert:

"Sections 37 to 49 and 51 to 54 are effective July 1, 1981, except that section 54, subdivision 1, clause (a) is effective July 1, 1980. Sections 50 and 55 are effective July 1, 1982."

Renumber the sections

Amend the title amendment as follows:

Page 29, line 33, after "procedures;" insert "providing for the compilation of agency rules and their publication by the revisor of statutes;"

Page 30, line 1, after "Subdivisions" insert "1,"

Page 30, line 1, after "2," insert "3,"

Page 30, line 4, after "15.0426;" insert "15.05; 15.051, Sub-division 1;"

Page 30, line 8, after the semicolon insert "648.31, by adding a subdivision; 648.43;"

Page 30, line 11, delete "and"

Page 30, line 11, after "15.0423" insert "; and 15.047"

The motion prevailed. So the amendment was adopted.

H. F. No. 874 was then progressed.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### RECESS

Mr. Coleman moved that the Senate do now recess until 8:00 o'clock p.m. The motion prevailed.

The hour of 8:00 o'clock p.m. having arrived, the President called the Senate to order.

#### MEMBERS EXCUSED

Messrs. Lessard, Penny and Wegener were excused from this evening's Session.

#### CALL OF THE SENATE

Mr. Keefe, S. imposed a call of the Senate. The following Senators answered to their names:

Anderson	Dunn	Kleinbaum	Omann	Sikorski
Ashbach	Engler	Knaak	Penny	Spear
Barrette	Frederick	Knutson	Perpich	Staples
Benedict	Gearty	Luther	Peterson	Stern
Bernhagen	Gunderson	Menning	Pillsbury	Stumpf
Brataas	Hughes	Nelson	Purfeerst	Tennessee
Chmielewski	Humphrey	Nichols	Rued	Ueland, A.
Coleman	Keefe, S.	Ogdahl	Setzpfandt	Vega
Davies	Kirchaer	Olhoft	Sieloff	

The Sergeant at Arms was instructed to bring in the absent members.

Without objection, the Senate reverted to the Order of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Second Reading of Senate Bills.

**MESSAGES FROM THE HOUSE**

**Mr. President:**

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1169:

H. F. No. 1169: A bill for an act relating to census taking; providing for the taking of special censuses by the United States bureau of the census rather than the secretary of state; providing for the approval of school district population estimates by the state demographer; providing for annual population estimates of governmental subdivisions by the state demographer and their use in the computation of tax levy limits and local government aid; abolishing the authority of the municipal board to determine the population of municipalities and towns; amending Minnesota Statutes 1978, Sections 4.12, Subdivision 7; 275.14; 275.45; 275.53; 414.01, Subdivision 14; 477A.01, Subdivision 4; and Chapter 477A, by adding a section; repealing Minnesota Statutes 1978, Sections 365.61; and 414.033, Subdivision 8.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Weaver, Schreiber and Begich have been appointed as such committee on the part of the House.

House File No. 1169 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1980

Mr. Anderson moved that H. F. No. 1169 be laid on the table. The motion prevailed.

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1996, 1054, 1293, 1630 and 1900.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1980

**Mr. President:**

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1843: A bill for an act relating to transportation; establishing a state rail bank for abandoned rail lines; amending Minnesota Statutes 1978, Chapter 222, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 174.03, Subdivision 4; 222.50, Subdivision 7; and 222.65.

Senate File No. 1843 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1980

Mr. Stern moved that the Senate do not concur in the amendments by the House to S. F. No. 1843 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1734: A bill for an act relating to agriculture; renaming the livestock sanitary board; repealing obsolete language; regulating treatment of diseased animals; eliminating certain local boards; providing a penalty; amending Minnesota Statutes 1978, Sections 17A.04, Subdivision 6; 29.051; 29.061; 29.081; 35.01, Subdivisions 1 and 2; 35.02, Subdivision 1; 35.03; 35.05; 35.06; 35.063; 35.065; 35.08; 35.09; 35.10; 35.11; 35.12; 35.13; 35.15; 35.16; 35.245; 35.67; 35.68; 35.695; 35.70, Subdivision 1, 3 and 4; 35.71, Subdivisions 3 and 7; 35.81; 35.82; 35.822; 35.830; 35.831; 346.26; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; and 347.39; repealing Minnesota Statutes 1978, Sections 35.01, Subdivisions 3, 4, 5, 6 and 7; 35.07; 35.131; 35.132; 35.133; 35.134; 35.135; 35.136; 35.137; 35.17; 35.18; 35.19; 35.20; 35.21; 35.22; 35.23; 35.24; 35.25; 35.26; 35.27; 35.28; 35.29; 35.30; 35.31; 35.32; 35.33; 35.34; 35.35; 35.40; 35.41; 35.42; 35.43; 35.44; 35.45; 35.46; 35.47; 35.48; 35.49; 35.50; 35.51; 35.55; 35.56; 35.57; 35.58; 35.60; 35.605; 35.70, Subdivisions 2, 5, 6 and 8; 35.73, Subdivision 2; and 35.821, Subdivision 2.

Senate File No. 1734 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1980

#### CONCURRENCE AND REPASSAGE

Mr. Setzepfandt moved that the Senate concur in the amendments by the House to S. F. No. 1734 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1734: A bill for an act relating to agriculture; re-naming the livestock sanitary board; repealing obsolete language; regulating treatment of diseased animals; eliminating certain local boards; requiring anaplasmosis testing of livestock; providing a penalty; amending Minnesota Statutes 1978, Sections 17A.04, Subdivision 6; 29.051; 29.061; 29.081; 35.01, Subdivisions 1 and 2; 35.02, Subdivision 1; 35.03; 35.05; 35.06; 35.063; 35.065; 35.08; 35.09; 35.10; 35.11; 35.12; 35.13; 35.15; 35.16; 35.245; 35.67; 35.68; 35.695; 35.70, Subdivision 1, 3 and 4; 35.71, Subdivisions 3 and 7; 35.81; 35.82; 35.822; 35.830; 35.831; 346.26; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; 347.39 and Chapter 35, by adding a section; repealing Minnesota Statutes 1978, Sections 35.01, Subdivisions 3, 4, 5, 6 and 7; 35.07; 35.131; 35.132; 35.133; 35.134; 35.135; 35.136; 35.137; 35.17; 35.18; 35.19; 35.20; 35.21; 35.22; 35.23; 35.24; 35.25; 35.26; 35.27; 35.28; 35.29; 35.30; 35.31; 35.32; 35.33; 35.34; 35.35; 35.40; 35.41; 35.42; 35.43; 35.44; 35.45; 35.46; 35.47; 35.48; 35.49; 35.50; 35.51; 35.55; 35.56; 35.57; 35.58; 35.60; 35.605; 35.70, Subdivisions 2, 5, 6 and 8; 35.73, Subdivision 2; and 35.821, Subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Perpich	Spear
Aschbach	Frederick	Knutson	Peterson	Staples
Bang	Gearty	Luther	Pillsbury	Stern
Barrette	Gunderson	McCutcheon	Purfeerst	Stokowski
Benedict	Hanson	Menning	Renneke	Strand
Bernhagen	Hughes	Moe	Rued	Stumpf
Brataas	Jensen	Nelson	Schaaf	Tennessee
Chmielewski	Johnson	Nichols	Schmitz	Ueland, A.
Davis	Keefe, S.	Olhoft	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Omann	Sieloff	Vega
Dunn	Kleinbaum	Penny	Sikorski	Willet

So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1611: A bill for an act relating to local government; establishing the Moorhead-Clay County area redevelopment authority; terminating the existence of the Moorhead local redevelopment agency and the Clay County local redevelopment

agency; granting certain powers to the city of Moorhead and the county of Clay.

Senate File No. 1611 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1980

### CONCURRENCE AND REPASSAGE

Mr. Sillers moved that the Senate concur in the amendments by the House to S. F. No. 1611 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1611 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Perpich	Spear
Ashbach	Frederick	Luther	Peterson	Staples
Bang	Gearty	McCutcheon	Pillsbury	Stern
Barrette	Gunderson	Menning	Purfeerst	Stokowski
Benedict	Hanson	Merriam	Renneke	Strand
Bernhagen	Hughes	Moe	Rued	Stumpf
Brataas	Jensen	Nelson	Schaaf	Tennessee
Chmielewski	Johnson	Nichols	Schmitz	Ueland, A.
Coleman	Keefe, S.	Ogdahl	Setzepfandt	Ulland, J.
Davies	Kirchner	Olhoft	Sieloff	Vega
Dieterich	Kleinbaum	Omann	Sikoraki	Willet
Dunn	Knaak	Penny	Sillers	

So the bill, as amended, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 2090, 733 and 1841.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 25, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1655, 1763, 2045 and 2353.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1980

**FIRST READING OF HOUSE BILLS**

The following bills were read the first time and referred to the committees indicated.

H. F. No. 2090: A bill for an act relating to Lake County; validating the issuance of a Sunday on-sale intoxicating liquor license.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2083 now on General Orders.

H. F. No. 733: A bill for an act relating to veterans; increasing the maximum amount of certain educational grants to certain persons; appropriating money; amending Minnesota Statutes 1978, Sections 197.11; and 197.75, Subdivision 1.

Referred to the Committee on Finance.

H. F. No. 1841: A bill for an act relating to state government; providing for certain historical memorials; providing an appropriation.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1683 now on General Orders.

H. F. No. 1655: A bill for an act relating to pollution; recognizing the extent and severity of the problem of acid precipitation; appropriating funds and designating state agencies and departments to conduct activities designed to identify, control and abate acid precipitation.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1685 now on General Orders.

H. F. No. 1763: A bill for an act relating to education; increasing the bonding authority of the higher education coordinating board; amending Minnesota Statutes, 1979 Supplement, Section 136A.-171.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1884 now on General Orders.

H. F. No. 2045: A bill for an act relating to economic development; creating a small business finance agency with authority to sell tax exempt revenue bonds to provide loans for small business projects; appropriating money.

Referred to the Committee on Finance.

H. F. No. 2353: A bill for an act relating to water resources; continuing the water planning board; changing its membership and duties; appropriating money; amending Minnesota Statutes 1978, Section 105.401; and Laws 1979, Chapter 333, Section 31, Subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2025 now on General Orders.

**REPORTS OF COMMITTEES**

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 2331: A bill for an act relating to children; establishing a photographic state adoption exchange; requiring certain children to be listed on the exchange; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, delete "all"

Page 2, line 1, delete "or otherwise"

Page 2, line 4, delete "required" and insert "prescribed"

Page 2, line 4, after "subdivision" insert "and subdivision 8"

Page 2, line 8, delete "five" and insert "ten"

Page 2, line 12, after "updated" insert "by the authorized child placing agency"

Page 2, line 12, delete "15 working" and insert "ten business"

Page 2, line 15, after "writing" insert "by the authorized child placing agency"

Page 2, line 27, delete "a" and insert "any"

Page 2, line 27, after "child" insert "legally freed for adoption"

Page 2, line 32, delete "working" and insert "business"

Page 3, line 21, after the dollar sign insert "15,000"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1890: A bill for an act relating to energy conservation; creating the Minnesota district heating account; authorizing the Minnesota energy agency to administer and supervise a program of loans to municipalities for establishing and improving district heating systems; authorizing the issuance of state bonds pursuant to Article XI of the Minnesota Constitution; authorizing cities to operate district heating systems; appropriating money; amending Minnesota Statutes 1978, Sections 412.321, Subdivision 1; 412.351; 412.361, Subdivision 3; Chapter 116H, by adding sections; and Chapter 465, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Chapter 116H, is amended by adding a section to read:

[116H.31] [DISTRICT HEATING LOANS.] *Subdivision 1. [POLICIES.] Developing and improving efficient and economical district heating systems is a public purpose for state financing and a proper function of state government. Climate and geography make a reliable, economic supply of energy essential for industrial, commercial and residential heating. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. District heating systems employing cogeneration techniques and innovative technology offer an important means of increasing the efficiency of Minnesota's energy systems and reducing the state's reliance on imported energy supplies. The combination of the large initial capital cost and investors' lack of familiarity with district heating has made the private market reluctant to provide the necessary capital for district heating projects. As a result, public leadership, cooperation, and aid are needed to demonstrate the feasibility of district heating systems by establishing economically viable municipal district heating systems as demonstration projects. Municipal district heating systems may be financed by loans from the state.*

*Subd. 2. [DEFINITIONS.] In this section:*

- (a) "Commissioner" means the commissioner of finance.*
- (b) "Director" means the director of the Minnesota energy agency.*
- (c) "District heating" means the use of a central energy conversion facility to produce hot water or steam for distribution to homes or businesses. District heating facilities may also produce electricity in addition to hot water or steam.*
- (d) "Municipality" means any county, city, town, municipal power agency, or public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized.*

*Subd. 3. [ELIGIBILITY.] The commissioner of finance, upon request of the director of the energy agency, shall make loans to municipalities for the acquisition and betterment of district heating systems. A loan shall be made only to a municipality that has demonstrated that:*

- (a) The municipality has the financial capability to sponsor the project;*
- (b) The project is technologically feasible; and*
- (c) The municipality has made adequate provision to assure proper and efficient operation and maintenance of the project after construction is completed.*

*Subd. 4. [PRIORITIES.] The director shall give higher priority to a project that does more to achieve the following goals:*

- (a) The district heating conversion facility employs cogeneration techniques;*

(b) *The facility uses renewable or non-petroleum sources of energy;*

(c) *The district heating facility will save petroleum or natural gas;*

(d) *The operation of the district heating facility will not have an adverse impact on the environment;*

(e) *The district heating facility may readily be expanded to serve additional customers or to supply additional amounts of energy, and market demand for the energy exists;*

(f) *The project has obtained additional financing from the federal government, private sources, or other sources of capital; and*

(g) *Other goals the director finds desirable for district heating systems.*

*Subd. 5. [ELIGIBLE COST.] The eligible cost of any municipal district heating project includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, and project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of district heating systems; (e) inspection and supervision of construction; and (f) loans to potential users of the district heating system to finance conversion of, additions to, or other necessary alterations of their energy systems to facilitate use of energy supplied by the district heating system.*

*Subd. 6. [AMOUNT.] The amount of a loan is limited to:*

*(a) 50 percent of the costs included under subdivision 5, clauses (a), (b), (c) and (e);*

*(b) 90 percent of the costs included under subdivision 5, clauses (d) and (f).*

*Subd. 7. [TERMS.] A loan is repayable over a period not to exceed 20 years, with interest at a rate sufficient to cover the cost to the state of borrowing the money.*

*Subd. 8. [APPLICATION.] Application for a loan shall be made by a municipality to the director on a form prescribed by the director by rule. The director shall review each application and determine:*

*(a) Whether or not the project is eligible for a loan;*

*(b) The priority of the project when ranked with all other eligible projects for which a loan application has been submitted;*

*(c) The total estimated cost of the project;*

*(d) The amount of the loan for which the project is eligible;*

(e) *The terms upon which the loan would be made; and*

(f) *The means by which the municipality proposes to finance the project, including:*

(1) *A loan authorized by state law; or*

(2) *A grant of money appropriated by state law; or*

(3) *A grant to the municipality by an agency of the federal government within the amount of money then appropriated to that agency and allocated by it to projects within the state; or*

(4) *The appropriation of proceeds of bonds or other money of the municipality to an account for the construction of the project; or*

(5) *Any or all of the means referred to in clauses (1) to (4).*

**Subd. 9. [PROJECT APPROVAL.]** *The director shall prepare and submit to the legislature a list of district heating projects, if any, for which loan applications have been submitted and reviewed. The list shall contain supporting information, including descriptions of the projects, plans, and the determinations made by the director pursuant to subdivision 8. The director shall request the commissioner of finance to make loans for projects within the limits of appropriations provided by the legislature.*

**Subd. 10. [PAYMENT; OBLIGATION.]** *The commissioner shall not pay money to a municipality pursuant to an approved loan until he has determined that:*

(a) *Financing of the project as proposed by the municipality is assured by an irrevocable undertaking, by resolution of the governing body of the municipality, to use all money made available by the financing plan exclusively for the construction of the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction account of additional municipal money or the proceeds of additional bonds to be issued by the municipality; and that*

(b) *The governing body of the municipality has adopted a resolution obligating the municipality to repay the loan according to its terms. The obligation may be payable solely from user charges, special assessments or other money available to the municipality. The resolution shall obligate the municipality to annually impose and collect user charges or special assessments or to use any other money available to it from any other specified source, in amounts and at times that if collected in full will annually produce at least five percent in excess of the amount needed for all annual costs of the system, including annual repayment on state loans. A municipality may also pledge to levy an ad valorem tax to guarantee the payments under the loan agreement. For the purpose of repaying the loan the municipality by resolution of its governing body may fix the rates and charges for district heating system service and products, may enter into contracts for the payment by others of costs of construction, maintenance, and use of the project in accordance with section 444.075, and may pledge the revenues*

*derived therefrom. The commissioner may condition a loan upon the establishment of rates and charges or the execution of contracts sufficient to produce the revenues pledged.*

*Subd. 11. [RECEIPTS.] All principal and interest payments received by the commissioner in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the Minnesota state building bond account and are appropriated to the commissioner for the purposes of that account.*

*Subd. 12. [RULES.] The director shall adopt rules necessary to carry out this section. The director may adopt temporary rules pursuant to section 15.0412, subdivision 5, meeting the requirements of this section. The rules shall contain as a minimum:*

*(a) Procedures for application by municipalities; and*

*(b) Criteria for reviewing loan applications, including those specified in subdivisions 3 and 4.*

Sec. 2. Minnesota Statutes 1978, Section 412.321, Subdivision 1, is amended to read:

412.321 [MUNICIPAL UTILITIES.] Subdivision 1. [AUTHORITY TO OWN AND OPERATE.] Any statutory city may own and operate any waterworks, *district heating system*, or gas, light, power, or heat plant for supplying its own needs for utility service or for supplying utility service to private consumers or both. It may construct and install all facilities reasonably needed for that purpose and may lease or purchase any existing utility properties so needed. It may, in lieu of providing for the local production of gas, electricity, water, *hot water, steam* or heat, purchase the same wholesale and resell it to local consumers. After any such utility has been acquired, the council, except as its powers have been limited through establishment of a public utilities commission in the city, shall make all necessary rules and regulations for the protection, maintenance, operation, extension, and improvement thereof and for the sale of its utility products.

Sec. 3. Minnesota Statutes 1978, Section 412.351, is amended to read:

412.351 [COMMISSION, JURISDICTION.] The council shall, in the ordinance establishing the commission, decide which of the following public utilities shall be within the commission's jurisdiction: (1) the city water system; (2) light and power system, including any system then in use or later acquired for the production and distribution of steam heat; (3) gas system; (4) sanitary or storm sewer system or both, including the city sewage disposal plant; (5) public buildings owned or leased by the city; (6) *district heating system*. As used subsequently in sections 412.351 to 412.391, the term "public utility" means any water, light and power, gas or sewer system, or public buildings thus placed by ordinance under the jurisdiction of the public utilities commission. Any public utility not placed under the jurisdiction of the public utilities commission by the ordinance establishing the commission may be placed under the jurisdiction of the commission by an amendment to the original ordinance.

Sec. 4. Minnesota Statutes 1978, Section 412.361, Subdivision 3, is amended to read:

Subd. 3. The commission shall have power to buy all fuel and supplies, and it may purchase wholesale electric energy, steam heat, *hot water energy*, gas or water, as the case may be, for municipal distribution.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 429.021, Subdivision 1, is amended to read:

429.021 [LOCAL IMPROVEMENTS, COUNCIL POWERS.] Subdivision 1. [IMPROVEMENTS AUTHORIZED.] The council of a municipality shall have power to make the following improvements:

(1) To acquire, open, and widen any street, and to improve the same by constructing, reconstructing, and maintaining sidewalks, pavement, gutters, curbs, and vehicle parking strips of any material, or by grading, graveling, oiling, or otherwise improving the same, including the beautification thereof and including storm sewers or other street drainage and connections from sewer, water or similar mains to curb lines.

(2) To acquire, develop, construct, reconstruct, extend and maintain storm and sanitary sewers and systems, including outlets, holding areas and ponds, treatment plants, pumps, lift stations, service connections, and other appurtenances of a sewer system, within and without the corporate limits.

(3) To construct, reconstruct, extend and maintain steam heating mains.

(4) To install, replace, extend and maintain street lights and street lighting systems and special lighting systems.

(5) To acquire, improve, construct, reconstruct, extend and maintain water works systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a water works system, within and without the corporate limits.

(6) To acquire, improve and equip parks, open space areas, playgrounds and recreational facilities within or without the corporate limits.

(7) To plant trees on streets and provide for their trimming, care and removal.

(8) To abate nuisances and to drain swamps, marshes and ponds on public or private property and to fill the same.

(9) To construct, reconstruct, extend, and maintain dikes and other flood control works.

(10) To construct, reconstruct, extend and maintain retaining walls and area walls.

(11) To acquire, construct, reconstruct, improve, alter, extend, operate, maintain and promote a pedestrian skyway system.

(12) To acquire, construct, reconstruct, extend, operate, maintain and promote underground pedestrian concourses.

(13) To acquire, construct, improve, alter, extend, operate, maintain and promote public malls, plazas or courtyards.

(14) To construct, extend, and maintain district heating systems.

Sec. 6. Minnesota Statutes 1978, Chapter 465, is amended by adding a section to read:

[465.74] [AUTHORIZATION TO OPERATE DISTRICT HEATING SYSTEMS.] *Subdivision 1. [CITIES OF THE FIRST CLASS.] A city operating a public utility pursuant to chapter 452 or its charter may acquire, construct, own, and operate a municipal district heating system pursuant to the provisions of that chapter or its charter.*

*Subd. 2. [CITIES OF THE SECOND AND THIRD CLASS.] A city authorized to operate an electric light plant or an electric light and power plant pursuant to chapter 455 or its charter may acquire, construct, own, and operate a municipal district heating system under that chapter or its charter.*

*Subd. 3. [EXTENSION OF SERVICE OUTSIDE CITY.] A municipal district heating system, operating pursuant to this section, may sell energy to customers located outside of the municipality and within the state but not more than a distance of 30 miles from the corporate limits of the municipality.*

*Subd. 4. [NET DEBT LIMITS.] The loan obligations incurred by a political subdivision pursuant to section 1 shall not be considered as a part of its indebtedness under the provisions of its governing charter or of any law of this state fixing a limit of indebtedness.*

Sec. 7. [APPROPRIATIONS.] *Subdivision 1. The sum of \$49,600,000 is appropriated from the state building fund to the commissioner of finance for the purpose of making loans to municipalities for district heating systems pursuant to section 1. This appropriation is available for the following projects:*

(a) St. Paul	\$30,600,000
(b) Moorhead	\$10,000,000
(c) Red Wing and Minneapolis	\$ 8,000,000
(d) Preliminary planning, as defined in section 1, subdivision 5, clauses (a), (b) and (c), for Bagley, Aitkin, and Virginia	\$ 1,000,000

*Subd. 2. The sum of \$100,000 is appropriated from the general fund to the director of the energy agency for the period ending June 30, 1981, for the purpose of administering loans to municipalities pursuant to section 1. The approved complement of the energy agency is increased by one position.*

Sec. 8. [BOND SALE; DEBT SERVICE.] *To provide the money appropriated from the state building fund by section 7, subdivision 1, the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$49,600,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67, and by the Constitution, Article XI, Sections 4 to 7.*

Sec. 9. [EFFECTIVE DATE.] *This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 2, delete "creating the"

Page 1, line 3, delete "Minnesota district heating account;"

Page 1, delete line 8

Page 1, line 9, delete "Constitution"

Page 1, line 13, after "adding" insert "a"

Page 1, line 13, delete "sections" and insert "section"

Page 1, line 14, after "section" insert "; and Minnesota Statutes, 1979 Supplement, Section 429.021, Subdivision 1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1941: A bill for an act relating to corrections; appropriating money for local correctional facility construction.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 241.022, Subdivision 3, is amended to read:

Subd. 3. [APPLICATION FOR GRANTS.] Any county or group of counties operating any of the facilities described in subdivision 1 or desiring to construct and operate or to rehabilitate existing facilities may apply for assistance under this section by submitting to the commissioner of corrections for his approval its plans, specifications, budget, program for training and treatment, and staffing pattern, including personnel qualifications. *The commissioner shall prescribe the format and procedures for handling grant applications.* The commissioner may recommend such changes or modifications as *that* he deems necessary to effect substantial compliance with the standards provided in subdivision 2. When the commissioner has determined that any county or group of counties has substantially complied with the minimum standards, or is making satisfactory progress toward such compliance he may *pay award a grant to such the counties . Grants*

*shall be awarded to eligible counties in the order in which their applications are accepted and approved by the commissioner. an The amount of a grant shall not to exceed 50 25 percent of the cost of construction or rehabilitation of the facilities described in this section, and, . Fifty percent of the grant shall be paid to the county or group of counties upon approval of the application by the commissioner, and the remaining 50 percent shall be paid after inspection of the newly constructed or renovated facility and a determination by the commissioner that it substantially conforms to minimum standards. In the case of improvement of program and continued operation of any program in a regional facility as described in subdivision 1, he may pay to the governing board of such facility a sum not to exceed \$1,800 per year for each adult bed and \$3,200 per year for each juvenile bed as approved in the submitted plans and specifications.*

**Sec. 2. [ADVISORY TASK FORCE.] Subdivision 1. [APPOINTMENT; PURPOSE.]** *By July 1, 1980, the commissioner of corrections shall appoint a 15 member advisory task force to:*

*(a) Study and make recommendations to the commissioner concerning the scope, content, reasonableness and necessity for the existing rules for operation, construction and remodeling of jails;*

*(b) Make recommendations to the commissioner of corrections concerning the statutory duties and obligations of the commissioner to implement and enforce the minimum jail standards and the policies and procedures of the commissioner in the discharge of his duties; and*

*(c) Study and make recommendations on other aspects as requested by the commissioner.*

**Subd. 2. [MEMBERSHIP; CHAIRMAN.]** *The advisory task force shall consist of the following:*

*(a) Three county commissioners;*

*(b) Three sheriffs;*

*(c) One judge of the district court designated by the chief justice of the state supreme court;*

*(d) A member of the house of representatives appointed by the speaker;*

*(e) A member of the senate appointed by the subcommittee on committees;*

*(f) A county attorney; and*

*(g) Three public members, at least one of whom has had lengthy experience in general commercial construction.*

*The task force shall elect one of the public members to serve as chairman.*

*In making his appointments the commissioner shall, insofar as possible, ensure that the appointees are representative of the*

*geography of the state; that the economic diversity of the counties is represented; that counties having old, new, large and small jail facilities are represented; and that densely populated and sparsely populated counties are represented.*

**Subd. 3. [TERMS, COMPENSATION, REMOVAL.]** *The provisions of section 15.059 shall govern the terms, compensation and removal of the members of the advisory task force.*

**Sec. 3. [APPROPRIATION.]** *Subdivision 1. The sum of \$7,500,000 is appropriated from the state building fund to the commissioner of corrections for grants to counties for detention facilities pursuant to Minnesota Statutes, Section 241.022, as amended by this act, to be available until expended.*

*This appropriation shall be used only to fund phase one local correctional facility construction as described in the department of corrections statewide jail plan of 1980, and to fund grants to groups of counties that contain at least one county whose jail, lockup, or other adult correctional facility has been inspected by the commissioner and determined to be subject to condemnation or in immediate need of major repair and renovation as of January 1, 1980, and that desire to jointly operate a newly constructed or renovated existing facility.*

*For local correctional facility construction commenced before March 1, 1980, under construction and unoccupied on the effective date of this act, the total grant for a particular facility shall not exceed \$6,250 per approved bed, or 12.5 percent of the total cost of construction or renovation, whichever is less.*

*For local correctional facility construction commencing on or after March 1, 1980, the total grant for a particular facility shall not exceed \$12,500 per approved bed, as established in the statewide jail plan, or 25 percent of the total cost of construction or renovation, whichever is less.*

**Subd. 2.** *The sum of \$15,000 is appropriated from the general fund to the commissioner of corrections for the advisory task force created in section 2, to be available until June 30, 1981.*

**Sec. 4. [BOND SALE; DEBT SERVICE.]** *Subdivision 1. To provide the money appropriated in this act from the state building fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$7,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67 and by the Constitution, Article XI, Sections 4 to 7.*

**Sec. 5. [EFFECTIVE DATE.]** *This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 2, after the semicolon insert "creating an advisory task force;"

Page 1, line 3, before the period insert "; authorizing issuance of

state bonds; amending Minnesota Statutes 1978, Section 241.022, Subdivision 3”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1581: A bill for an act relating to welfare; clarifying certain provisions of the general assistance medical care program; authorizing higher general assistance payments for persons determined to be unemployable; making various other changes in the general assistance program; amending Minnesota Statutes 1978, Sections 256D.01; 256D.02, Subdivisions 4, 9, 10, 11, 12, and by adding a subdivision; 256D.03, Subdivisions 1 and 3; 256D.04; 256D.05, Subdivision 1; 256D.06, Subdivisions 1 and 2, and by adding a subdivision; 256D.08, Subdivision 2; 256D.09, Subdivision 1; 256D.10; 256D.11, Subdivisions 2, 3, 4, 5, 6, 7, 8 and 9; 256D.13, Subdivision 1; 256D.16; and 256D.18, Subdivisions 2 and 4; and Minnesota Statutes, 1979 Supplement, Sections 256D.03, Subdivision 2; 256D.07; and 256D.08, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete “256D.18” and insert “256D.21”

Page 2, lines 3 to 8, delete the new language

Page 2, line 13, delete “256D.18” and insert “256D.21”

Page 2, lines 20 to 33, reinstate the stricken language

Page 2, line 33, after the reinstated period insert “*The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement.*”

Page 3, lines 1 to 9, reinstate the stricken language

Page 3, lines 3 and 4, strike “Laws 1973, Chapter 650, Article 21” and insert “*sections 256D.01 to 256D.21*”

Page 3, line 10, reinstate “a principal consideration in the administration of” and after the reinstated “of” insert “*sections 256D.01 to 256D.21*”

Page 3, line 11, reinstate “and all general assistance”

Page 3, lines 12 and 13, reinstate the stricken language

Page 3, line 15, delete “256D.18” and insert “256D.21”

Page 3, lines 23 to 25, reinstate the stricken language

Page 5, line 18, delete “256D.18” and insert “256D.21”

Page 5, line 30, reinstate “256D.01” and delete “256D.05”

Page 6, lines 1 and 2, reinstate the stricken language

Page 6, line 12, strike “256D.19” and insert “256D.21”

Page 7, lines 14 and 18, delete "256D.18" and insert "256D.21"

Page 8, line 3, delete "256D.18" and insert "256D.21"

Pages 8 and 9, delete section 12

Pages 10 and 11, delete section 15

Page 11, line 4, delete "Subdivision 1."

Page 11, line 10, delete "256D.05 and 256D.06" and insert "256D.01 to 256D.21"

Page 11, delete lines 32 and 33

Page 12, delete lines 1 and 2

Page 13, line 5, delete "256D.18" and insert "256D.21"

Page 17, line 1, after "paid" insert "during that period"

Page 18, line 11, delete "256D.18" and insert "256D.21"

Page 19, after line 24, insert:

"Sec. 31. [APPROPRIATION.] *The sum of \$226,450 is appropriated from the general fund to the commissioner of public welfare to pay increased costs authorized by this act, to be available for the fiscal year ending June 30, 1981.*

Sec. 32. [EFFECTIVE DATE.] *Sections 12 and 15 are effective January 1, 1981. The remaining sections 1 to 30 are effective July 1, 1980.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 4

Page 1, line 5, delete "persons determined to be unemployable" and insert "establishing an earned income disregard work incentive in the general assistance program"

Page 1, line 7, after the semicolon insert "appropriating money;"

Page 1, line 10, delete "256D.05,"

Page 1, line 11, delete "Subdivision 1;" and delete ", and"

Page 1, line 12, delete "by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1828: A bill for an act relating to veterans; establishing at the Fergus Falls State Hospital a domiciliary home for veterans and authorizing remodeling of buildings for a unit for the treatment of drug dependent persons; making an appropriation; amending Minnesota Statutes 1978, Section 253.015.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [FERGUS FALLS STATE HOSPITAL; PLANNING.] Subdivision 1. The commissioner of administration shall prepare preliminary plans for establishing a 150 bed veterans home on the grounds of the Fergus Falls state hospital. He shall, in cooperation with the commissioner of veterans' affairs, determine the availability of federal money for the facility and shall attempt to secure the maximum federal share possible.

Subd. 2. The commissioner of administration shall prepare preliminary plans for modifying or replacing the boiler unit at the Fergus Falls state hospital to burn solid waste supplied to the hospital by local units of government. The commissioner shall determine the availability of federal money for the project and shall attempt to secure the maximum federal share possible. The commissioner shall enter into preliminary agreements with local units of government to supply sufficient solid waste to generate heat and electricity during the economic life of the boiler unit.

Sec. 2. [APPROPRIATION.] The sum of \$128,000 is appropriated from the general fund to the commissioner of administration for the purposes of this act, to be available until June 30, 1981."

Delete the title and insert:

"A bill for an act relating to state hospitals; preliminary plans for modifications to Fergus Falls state hospital; appropriating money."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1724: A bill for an act relating to taxation; exempting admissions to events or premises of nonprofit arts organizations from the sales tax; amending Minnesota Statutes, 1979 Supplement, Section 297A.25, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, after line 6, insert:

"Sec. 2. [LOCAL ADMISSIONS AND AMUSEMENT TAXES; EXEMPTION FOR ARTS ORGANIZATIONS.] *No tax imposed by a local unit of government on sales of admissions or amusements under a law enacted prior or subsequent to the enactment of this provision, other than a general sales tax law, shall apply to amounts charged for admission to the premises of or events sponsored by a nonprofit arts organization.*"

Page 9, line 7, delete "Section 1 is" and insert "Sections 1 and 2 are"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, after "tax" insert "and local admissions or amusement taxes"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was re-referred

S. F. No. 1597: A bill for an act relating to metropolitan government; providing for metropolitan area agricultural preserves; providing property tax relief; appropriating money; amending Minnesota Statutes 1978, Section 273.111, Subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, line 27, delete "*original ad*"

Page 9, line 28, delete "*valorem property taxes*" and insert "*tax*"

Page 10, line 3, delete "*township*" and after "*rate*" insert "*levied on property located within townships*"

Page 10, line 9, after the period insert "*Residential buildings shall continue to be valued and classified according to the provisions of Minnesota Statutes, Sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2281: A bill for an act relating to taxation; imposing penalties for failure to file returns for Kittson and Marshall counties' gravel tax; amending Laws 1977, Chapter 112, Section 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 13, insert:

"Sec. 2. Laws 1961, Chapter 605, Section 3, is amended to read:

Sec. 3. *Subdivision 1.* If any person subject to this act fails to make the report required by section 2, subdivision 1, of this act or files an erroneous report, the county auditor shall determine the amount of the tax due for the quarter in question and shall notify such person by registered mail of the amount of the tax as so determined. Such person may within 30 days from the date of mailing of such notice file written statement of the objections to the amount of the taxes so determined in the office of the county auditor. Thereafter the statement of objections shall be deemed to

be a petition under Minnesota Statutes 1957, Chapter 278, and sections 278.02 to 278.13 shall be applicable thereto.

*Subd. 2. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days 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 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 the report is required to be filed, the person who is required to file the report is guilty of a misdemeanor.*

Sec. 3. Laws 1963, Chapter 475, Section 3, is amended to read:

Sec. 3. *Subdivision 1.* If any person subject to this act fails to make the report required by section 2, subdivision 1, of this act or files an erroneous report, the county auditor shall determine the amount of the tax due for the quarter in question and shall notify such person by registered mail of the amount of the tax as so determined. Such person may within 30 days from the date of mailing of such notice file written statement of the objections to the amount of the taxes so determined in the office of the county auditor. Thereafter the statement of objections shall be deemed to be a petition under Minnesota Statutes, Chapter 278, and sections 278.02 to 278.13 shall be applicable thereto.

*Subd. 2. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days 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 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 the report is required to be filed, the person who is required to file the report is guilty of a misdemeanor.*

Sec. 4. Laws 1977, Chapter 117, section 3, is amended to read:

Sec. 3. *Subdivision 1.* If any person subject to this act fails to make the report required by section 2, subdivision 1, or files an erroneous report, the county auditor shall determine the amount of the tax due for the quarter in question and shall notify such person by registered mail of the amount of the tax so determined. Such person may within 30 days from the date of mailing of such notice file written statement of objections to the amount of the taxes so determined in the office of the county auditor. Thereafter the statement of objections shall be deemed to be a petition under Minnesota Statutes, Chapter 278 and Sections 278.02 to 278.13 shall be applicable thereto.

*Subd. 2. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days 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 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 the report is required to be filed, the person who is required to file the report is guilty of a misdemeanor."*

Page 2, line 14, delete "Section 1 applies" and insert "Sections 1, 2, 3 and 4 apply"

Page 2, delete lines 16 to 19 and insert:

*"Sec. 6. As they relate to Kittson County, the provisions of this act shall become effective upon approval by a majority of the members of the board of county commissioners of Kittson County and upon compliance with the provisions of Minnesota Statutes, Section 645.021. As they relate to Marshall County, the provisions of this act shall become effective upon approval by a majority of the members of the board of county commissioners of Marshall County and upon compliance with the provisions of Minnesota Statutes, Section 645.021. As they relate to Becker County, the provisions of this act shall become effective upon approval by a majority of the members of the board of county commissioners of Becker County and upon compliance with the provisions of Minnesota Statutes, Section 645.021. As they relate to Wilkin County, the provisions of this act shall become effective upon approval by a majority of the members of the board of county commissioners of Wilkin County and upon compliance with the provisions of Minnesota Statutes, Section 645.021. As they relate to Clay County, the provisions of this act shall become effective upon approval by a majority of the members of the board of county commissioners of Clay County and upon compliance with the provisions of Minnesota Statutes, Section 645.021."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "and" and insert a comma and after "Marshall" insert ", Clay, Becker and Wilkin"

Page 1, line 4, after "amending" insert "Laws 1961, Chapter 605, Section 3; Laws 1963, Chapter 475, Section 3;" and delete "Chapter" and insert "Chapters"

Page 1, line 5, after "3" insert "; and 117, Section 3"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 1195: A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to Article VIII; providing for the recall of elective officers.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. An amendment to the Minnesota Constitution, adding a section to Article VIII, is proposed to the people. If the amendment is adopted the section will read as follows:

*Sec. 6. The elected executive and judicial officers of the state and state senators are subject to recall by the voters of the state or district. A recall election may be held only once during the term of office of any official. A petition for a recall election shall be filed with the officer with whom the official filed for nomination. The petition shall be signed by that number of voters residing in the state or district which equals or exceeds 25 percent of the number of votes cast for all candidates nominated for the office in question in the state or district at the last general election. The petition may be signed beginning on January 1 of a general election year and shall be filed not later than the first day for filing for nomination for the general election. The recall election shall be held at the primary held to nominate candidates for the general election. The recall question shall be placed on the ballot on which the office in question would otherwise appear and shall read:*

*“Shall . . . . (name of official) . . . . . be recalled from the office of . . . . (name of office and district) . . . .*

Yes . . . . .  
No . . . . .”

*If a majority of those voting on the question vote to recall the official, a vacancy in the office shall be declared and shall be filled for the remainder of the term at a special election held at the general election. Nomination for the special election shall be as provided by law for vacancies in nomination at the general election. An official who is recalled may be a candidate at the special election. No recall election may be held in the year preceding expiration of the term of an official.*

*This section is self executing but laws may be enacted to facilitate its implementation.*

Sec. 2. The proposed amendment shall be submitted to the people at the 1980 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to permit the voters to recall elected state executive and judicial officers and state senators?

Yes . . . . .  
No . . . . .”

Delete the title and insert:

“A bill for an act proposing an amendment to the Minnesota Constitution, Article VIII, by adding a section; providing for recall of elected state executive and judicial officers and state senators by the voters.”

And when so amended the bill be re-referred to the Committee on Rules and Administration without recommendation. Amendments adopted. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 599: A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to Article VII; providing for a popular initiative.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1, Subdivision 1. An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, two new sections shall be added to Article IV, which shall read:

*Sec. 27. [INITIATIVE.] Any law except a constitutional amendment may be initiated by eligible voters upon petition and shall be adopted by the eligible voters upon the affirmative vote of a majority of those voting on the question at a general election.*

*The governor shall have no power to approve or veto a law initiated by the eligible voters.*

*Laws may be enacted by the legislature to implement this section only before January 1, 1981 and laws so enacted may not thereafter be amended by the legislature.*

*This section expires December 31, 1984.*

*Sec. 28. [REFERENDUM.] Eligible voters may petition to require the referral to them for their approval or rejection of a law, or part of a law, adopted by the legislature. The eligible voters shall not require the referral of a law or part of a law which is an appropriation, a special law which names the single local government unit or county to which it applies, or a law which provides that it is an emergency matter and is adopted by a two-thirds vote of each house.*

*A law, or part of a law, referred by petition to the eligible voters shall be adopted by them upon the affirmative vote of a majority of those voting on the question at a general election.*

*Laws may be enacted by the legislature to implement this section only before January 1, 1981 and laws so enacted may not thereafter be amended by the legislature.*

*This section expires December 31, 1984.*

Sec. 2. The amendment proposed in section 1 shall be submitted to the people at the 1980 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide for initiative and referendum?"

Yes.....

No....."

**Sec. 3. [3B.01] [CITATION.]** Sections 3 to 32 may be cited as "The Initiative and Referendum Implementation Act".

**Sec. 4. [3B.02] [DEFINITIONS.]** Subdivision 1. The words defined by this section shall, when used in sections 3 to 32, have the meanings given them.

**Subd. 2.** "General election" is as defined in section 200.02, subdivision 2.

**Subd. 3.** "Measure" means the proposed law in an initiative petition or the law in either the Laws of Minnesota or Minnesota Statutes cited in a referendum petition.

**Subd. 4.** "Petition drive" means the organized process by the sponsors and their authorized agents of soliciting the general public to sign initiative or referendum petitions.

**Subd. 5.** "Eligible voter" means those persons who may register to vote under the provisions of chapter 201.

**Subd. 6.** "Sponsors" means the persons specified by section 5, subdivision 2, clause (a).

**Sec. 5. [3B.03] [PREPARATION FOR PETITIONING ON AN INITIATIVE MEASURE.]** Subdivision 1. Before circulation of any petitions to have an initiative measure placed on the ballot, the sponsors shall file a declaration with the secretary of state not later than October 31 of an odd numbered year or not later than August 1 in calendar year 1980.

**Subd. 2.** The declaration shall:

(a) State the names, mailing addresses and any business or residential phone numbers of not less than 25 eligible voters with an indication of who is the chairman and who is the treasurer; and,

(b) State the name and mailing address of all committees, groups or organizations known to the sponsors who intend to support the petition drive on the measure or otherwise aid the sponsors; and,

(c) Give a description of the intent or purpose of the measure, or, if the proposed measure is already drafted, include a copy of the draft; and,

(d) State a short title by which the sponsors want the initiative measure to be identified and which is not misleading; and,

(e) State the name, address or phone number of a person who is generally available to work on the final form and wording of the measure and is authorized to approve its final form and wording.

**Subd. 3.** The secretary of state shall, by rule, provide a sample declaration form.

**Subd. 4.** The sponsors shall pay to the secretary of state a filing fee of \$200 which shall be deposited in the general fund.

Sec. 6. [3B.04] [FORM OF INITIATIVE MEASURES.] *The form of initiative measures shall conform to the form of bills considered by the legislature. The enacting clause shall be "BE IT ENACTED BY THE PEOPLE OF THE STATE OF MINNESOTA". No initiative shall embrace more than one subject. The measure may not provide for the form of the ballot question by which it would be submitted to the voters.*

Sec. 7. [3B.05] [PETITIONS FOR INITIATIVE.] *Subdivision 1. Each initiative petition shall consist of as many copies as the sponsors print, each of which shall be not more than one sheet of paper and contain the following on the front:*

(a) *In not less than 25 point bold type on a 30 point body at the top of the front page, the printed words "OFFICIAL INITIATIVE PETITION"; and,*

(b) *The short title by which the initiative measure is to be identified and the chairman of the sponsoring committee; and,*

(c) *A summary of the purpose and effect of the measure; and,*

(d) *A statement that a verbatim copy of the initiative measure is available for public examination at the office of the secretary of state or any county auditor; and,*

(e) *Space for the signature, printed name, telephone number, mailing address, congressional district of residence and an indication of status as eligible voter.*

*Subd. 2. On the front or back of each petition shall be an affidavit for the person circulating the petition which shall include his name, mailing address, and phone number; indicate that he circulated the petition; indicate that to the best of his knowledge each of the signers is an eligible voter and resident in the congressional district indicated; identify the sponsors on whose behalf the petition was circulated; and state the period during which it was circulated.*

*Subd. 3. The sponsors shall file a copy of the initiative measure and the petition with the secretary of state. If the secretary finds that the form of the initiative measure or petition is not in compliance with law, he shall disapprove it and order it redrafted. The secretary shall, within seven days after the initiative measure and petition are filed, notify the sponsors that the initiative measure and the petition are not in compliance with the law and specify what changes are necessary to bring them into compliance, or the form of the initiative measure and the petition shall be deemed to be approved by the secretary. Failure to refile a new form of initiative measure or petition drafted in accordance with the secretary's instructions not later than seven calendar days after the secretary's notice constitutes abandonment of the drive. Upon refile, the secretary shall again examine the initiative measure or petition for compliance with law and approve it or again reject it. The initiative measure or petition may subsequently be refiled until found to comply with the law.*

*Subd. 4. The secretary of state shall, within seven calendar days after approving the initiative measure or petition form, send to the county auditor in each county a verbatim copy of the initiative measure as on file in his office.*

**Sec. 8. [3B.06] [TIME OF CIRCULATION OF INITIATIVE PETITIONS; VOLUNTARY ABANDONMENT.]** *Subdivision 1. Initiative petitions may only be circulated on those days of odd numbered years or calendar year 1980 which are more than eight calendar days after the date of the secretary of state's approval of the petition. This limitation shall not prevent the sponsors from undertaking organizational activity or completing the procedures of section 5 or 7 prior to the time petitions are circulated.*

*Subd. 2. The sponsors may voluntarily abandon the drive any time before the certification by the secretary of state provided for in section 14. To abandon the drive, a declaration to that effect shall be filed with the secretary of state. The filing of the declaration shall not prevent other sponsors from beginning a similar or identical petition drive. All petitions signed prior to the declaration are invalid upon the filing of the declaration and may not subsequently be utilized by the new sponsors.*

*Subd. 3. Petitions which are signed but never filed, or which are filed but the number of signatures is later determined to be insufficient, are invalid on January 8 of the year after they are signed, except those petitions signed in 1980 which shall not become invalid unless they are not filed before January 8, 1982. The petitions may not be used for similar or identical petition circulation efforts in subsequent years.*

**Sec. 9. [3B.07] [AMOUNT OF SIGNATURES FOR INITIATIVE.]** *An initiative measure shall be placed on the ballot if petitions for the measure are signed by eligible voters in each congressional district of the state in a number not less than five percent of the number of votes cast for all candidates for governor in that congressional district at the last gubernatorial election.*

**Sec. 10. [3B.08] [FILING OF PETITIONS.]** *Subdivision 1. The sponsors may file the signed petitions with the secretary of state not later than January 7 of the year succeeding the one in which the petitions were circulated, except as to initiative petitions circulated in 1980 which may not be filed later than January 7, 1982. When filed, the signed petitions shall be securely bound together by the sponsors.*

*Subd. 2. Only the sponsors, or those authorized in writing by the sponsors, may file petitions.*

**Sec. 11. [3B.09] [PETITIONS RECEIVED BY SECRETARY OF STATE AND SIGNATURES COUNTED.]** *The secretary of state shall determine the total number of signatures on the petitions filed and shall, not later than January 16, give written notification to the sponsors of the number of signatures. If the number of signatures filed is less than the minimum number of signatures required in a congressional district, the secretary of state*

*shall notify the sponsors and petitions for additional signatures may be circulated for an additional period of 21 days commencing from the date of notification.*

**Sec. 12. [3B.10] [VERIFICATION OF PETITIONS.]** *Subdivision 1. The secretary of state may challenge the validity of any signature on or before March 31. Any eligible voter may challenge the number or validity of signatures on the petitions. The secretary of state shall determine the contest of the number or validity of signatures by an eligible voter.*

**Subd. 2. A signature is valid when:**

*(a) The signatory was an eligible voter in the congressional district indicated on the date he signed the petition; and,*

*(b) The signature is identifiable.*

**Subd. 3. Upon the challenging of the validity of any signature on a petition, a signature otherwise valid under subdivision 2, is invalid upon a finding by a preponderance of the evidence that a signature:**

*(a) is forged or fictional;*

*(b) was not voluntarily signed; or,*

*(c) was procured by fraud.*

**Subd. 4. The secretary of state may use the random sampling method provided for in section 13 for the verification of signatures. County auditors shall assist the secretary in verifying signatures to the extent requested by the secretary.**

**Subd. 5. An eligible voter contesting the sufficiency or validity of signatures shall file the protest on or before March 31 and shall include a brief statement of the evidence of insufficiency or invalidity. If an eligible voter contests the sufficiency or validity of signatures on a petition in bad faith, he may be assessed costs of the contest up to a maximum of \$2000. The secretary of state shall hear evidence and determine contests not later than April 30.**

**Subd. 6. If the secretary of state determines that the number of valid signatures is less than the number required, he shall so notify the sponsors and petitions for additional signatures may be circulated for an additional period of 21 days, in the case of a determination of an actual number deficiency, or 35 days, in the case of an estimated number deficiency, commencing from the date of notification.**

**Sec. 13. [3B.11] [RANDOM SAMPLING METHOD OF SIGNATURE VERIFICATION.]** *Subdivision 1. If the random sampling method is used, a sample of signatures to be verified shall be drawn in such a manner that every signature filed with the secretary of state shall be given an equal opportunity to be included in the sample. The sample shall include five percent of the signatures.*

**Subd. 2. If the verification from the statistical sample shows**

*that the total number of valid signatures on the petitions is within 90 to 110 percent of the minimum number of signatures needed to declare the number of petition signatures to be sufficient for the congressional district, the secretary of state may verify any remaining unverified signatures.*

*Subd. 3. If the verification from the statistical sample shows that the total number of valid signatures on all the petitions is 110 percent or more of the minimum number of signatures needed to declare the number of petition signatures to be sufficient for the congressional district, the secretary of state shall declare the number of valid signatures to be sufficient. The number of valid signatures shall be determined by taking the total number of signatures filed and multiplying it by the percentage of signatures in the statistical sample which were found to be valid.*

*Subd. 4. If the verification from the statistical sample shows that the number of valid signatures is less than 90 percent of the minimum number of signatures needed to declare the number of petition signatures to be sufficient for a congressional district, the secretary of state shall declare that the number of petition signatures is insufficient.*

**Sec. 14. [3B.12] [CERTIFICATION BY SECRETARY OF STATE.]** *If the number of petition signatures from each congressional district meets the minimum, the secretary of state shall certify the sufficiency of the initiative petitions to the sponsors and all county auditors. The question of adoption of the initiative measure filed with the secretary of state shall be placed on the ballot for the general election. The secretary of state's certificate shall state the wording of the question to be placed on the ballot. The executive council shall recommend to the secretary of state a wording for the question. The ballot question shall be a true and impartial statement of the intent and purpose of the initiative measure. It shall be in similar form as for any ballot issues which may be on the ballot as a result of a legislative proposal of a constitutional amendment.*

**Sec. 15. [3B.13] [PROCEDURES FOR REFERENDUM PETITIONING.]** *Subdivision 1. The sponsors shall file a declaration with the secretary of state not later than October 31 of an odd numbered year or not later than August 1 in calendar year 1980 before circulating any petitions to require the referral to the people for their approval or rejection of any chapter, section or subdivision of the Laws of Minnesota enacted on or after three years before the declaration is filed. A referendum shall not propose to amend an act or part of an act. No referendum shall embrace more than one subject.*

*Subd. 2. The declaration shall:*

*(a) State the names, mailing addresses and any business or residential phone numbers of not less than 25 eligible voters, with an indication of who is the chairman and who is the treasurer; and,*

*(b) State the name and mailing address of all committees,*

groups or organizations known to the sponsors who intend to support the petition drive on the measure or otherwise aid the sponsors; and,

(c) Give a precise citation of the act, or portion of an act, which the sponsors seek to have referred. The citation shall be to the Laws of Minnesota, chapter number of the act and, if appropriate, the sections of the chapter; and,

(d) Give a concise statement of the nature of the act, or portion of an act, that the sponsors propose to have referred to the people; and,

(e) State a short title by which the sponsors want the referendum measure to be identified and which is not misleading.

*Subd. 3. The sponsors shall pay to the secretary of state a filing fee of \$200 which shall be deposited in the general fund.*

**Sec. 16. [3B.14] [PETITIONS FOR REFERENDUM.]** *Subdivision 1. Each referendum petition shall consist of as many copies as the sponsors print, each of which shall be not more than one sheet and contain the following on the front:*

(a) In not less than 25 point bold type on a 30 point body at the top of the front page have the printed words "OFFICIAL REFERENDUM PETITION"; and,

(b) A precise citation of the act, or portion of an act, which the sponsors seek to have referred. The citation shall be exactly as stated in the declaration or any amendment to the declaration; and,

(c) The short title by which the initiative measure is to be identified and the chairman of the sponsoring committee; and,

(d) A brief impartial summary of the purpose and effect of the act, or portion of an act, which the sponsors propose to have referred to the people; and,

(e) Space for the signature, printed name, telephone number, mailing address, congressional district of residence, and an indication of status as eligible voter.

*Subd. 2. On the front or back of each petition shall be an affidavit for the person circulating the petition which shall include his name, mailing address, phone number; indicate that he circulated the petition; indicate that to the best of his knowledge each of the signers is an eligible voter and resident in the congressional district indicated; identify the sponsors on whose behalf the petition was circulated; and state the period during which it was circulated.*

*Subd. 3. The sponsors shall file with the secretary of state a copy of the referendum measure and the form of the petition. If the secretary of state finds that the form of the referendum measure or petition is not in compliance with law, he shall, within seven days after the referendum measure and petition are filed,*

*disapprove it and order it redrafted in accordance with his directions, or the form of the referendum measure and petition shall be deemed to be approved by the secretary. Failure to refile a new referendum measure or petition drafted in accordance with the secretary's instructions within seven calendar days of notification of noncompliance constitutes abandonment of the drive. Upon refile, the secretary shall again examine the referendum measure or petition for compliance with the law and approve it or again reject it. The referendum measure or petition may again be refiled until it is found to comply with the law.*

*Subd. 4. The secretary of state shall, within seven calendar days after approving the referendum measure and petition form, send to the auditor in each county a statement of the nature of the proposed referendum matter.*

*Subd. 5. Failure to file a copy of the referendum measure or petition within the time limits of subdivision 3 constitutes an abandonment of the petition drive.*

**Sec. 17. [3B.15] [TIME OF CIRCULATION OF REFERENDUM PETITIONS.]** *Subdivision 1. If referendum petitions concern a bill enacted at the most recent legislative session, the petitions may not be circulated before the act is passed by the legislature and either approved by the governor or again passed by the legislature notwithstanding the governor's objections, and is filed with the secretary of state and assigned a chapter number. This subdivision shall not restrict referendum petitions to bills passed at the most recent session of the legislature.*

*Subd. 2. Referendum petitions may only be circulated on those days of odd numbered years which are more than eight calendar days after the date of the secretary of state's approval of the petition. This limitation shall not prevent the sponsors from undertaking organizational activity or completing the procedures of section 15 or 16 prior to the time the petitions are circulated.*

*Subd. 3. The sponsors may voluntarily abandon the circulation of petitions in accordance with the provisions of section 8, subdivision 2.*

*Subd. 4. Referendum petitions which are signed but never filed, or which are filed but the number of signatures is later determined to be insufficient, are invalid on January 8 of the year after they are signed. The petitions may not be used for similar or identical petition circulation efforts in subsequent years.*

**Sec. 18. [3B.16] [AMOUNT OF SIGNATURES FOR REFERENDUM.]** *A referendum measure shall be placed on the ballot if petitions for the measure are signed by eligible voters in each congressional district of the state in a number not less than five percent of the number of votes cast for all candidates for governor in that congressional district at the last gubernatorial election.*

**Sec. 19. [3B.17] [REFERENDUM PETITION PROCEDURES.]** *Referendum petitions shall be filed, received, verified and notice of results given as provided by sections 10 to 14.*

**Sec. 20. [3B.18] [NUMBERING OF BALLOT MEASURES.]** *The secretary of state shall letter in consecutive order each initiative and referendum ballot measure with the wording "BALLOT QUESTION. . .". Ballot questions shall be lettered sequentially starting from the letter A for the first ballot question certified to be on the ballot after the effective date provided in section 38. Ballot questions which are certified to appear on the ballot in general elections in subsequent years shall be lettered sequentially beginning with the first letter after the letter of the last ballot question at the last general election. The order shall be assigned by the secretary of state in the order that it is finally determined that each question will be placed on the statewide ballot at the next general election.*

**Sec. 21. [3B.19] [BALLOTS, VOTING AND CANVASSING OF INITIATIVE AND REFERENDUM QUESTIONS.]** *On all initiative and referendum measures, the ballots shall be prepared, voting conducted, results canvassed, contests conducted and results certified as provided by chapters 200 to 211.*

**Sec. 22. [3B.20] [TIME OF ELECTION ON INITIATIVE AND REFERENDUM QUESTIONS.]** *Voting upon initiative and referendum questions shall be held only at a general election.*

**Sec. 23. [3B.21] [SIMULTANEOUS PETITIONS FOR INITIATIVE AND REFERENDUM MEASURES.]** *Nothing shall prevent multiple simultaneous petition drives involving identical initiative and referendum petitions whether by the same or different sponsors. However, the first determination by the secretary of state of the sufficiency of the signatures for one measure shall automatically constitute abandonment of the other petition drives as of the date of the secretary's determination.*

**Sec. 24. [3B.22] [COSTS OF COUNTY AUDITORS TO VERIFY SIGNATURES.]** *Subdivision 1. The state of Minnesota shall reimburse all county auditors for all reasonable costs of assisting in the verification of signatures on initiative and referendum petitions.*

*Subd. 2. Each year prior to May 1, each auditor shall submit to the secretary of state a verified statement of expenditures incurred in the calendar year prior to the previous April 1. The statement shall specify how all costs were incurred.*

*Subd. 3. The secretary of state shall, within 30 days after receipt of each auditor's statement, pay to each county auditor the costs which the secretary determines are reasonable.*

*Subd. 4. The secretary of state shall, by rule, provide for the standards of what costs will be reimbursed by the state.*

**Sec. 25. [3B.23] [RESOLUTION OF CONFLICTS BETWEEN INITIATIVE AND REFERENDUM MEASURES.]** *Subdivision 1. Nothing shall prevent petitioning for measures which are apparently in substantial conflict.*

*Subd. 2. If two or more measures which substantially conflict*

are adopted by a vote of the people, the one receiving the highest percentage affirmative vote shall be effective. In the event that it is finally determined that the measures received an equal percentage of votes, neither measure shall become effective, but they shall again be placed on the ballot at the next general election.

*Subd. 3.* A petition may be filed with the district court by any eligible voter alleging that two or more adopted measures substantially conflict. A copy of the petition shall be served upon the sponsors and upon the attorney general. The district court shall issue its findings and conclusions within 60 days of the filing of the petition.

*Subd. 4.* The district court shall find that two or more measures substantially conflict when any material provision in one measure is irreconcilable with a material provision in another measure. Upon a finding that any provisions of measures substantially conflict, the supreme court shall find that the entire measures conflict and state which measure prevails under the provisions of subdivision 2.

**Sec. 26. [3B.24] [PUBLICATION OF ADOPTED INITIATIVE AND REFERENDUM MATTERS.]** *Subdivision 1.* Initiative measures which are adopted by the people shall be published by the revisor of statutes in the laws of Minnesota for the legislative session for the year subsequent to the year of the election at which the law is adopted. Initiative measures shall be placed in a separate section of the Laws of Minnesota and given chapter numbers by the revisor of statutes distinctive from the chapter numbers given legislative enactments by the secretary of state.

*Subd. 2.* Any bill enacted by law which will be subject to referendum shall be published in the session laws as for other legislative enactments. However, if it is known prior to the publication of the Laws of Minnesota that an act will be subject to referendum the revisor of statutes shall indicate the measure, or the portion of it, that will be subject to referendum. If a statute in the Minnesota Statutes will be subject to referendum, and it is known prior to the publication of the statutes, the revisor of statutes shall indicate by annotations to the appropriate portions, that the provision is subject to a vote of the people.

*Subd. 3.* If an initiative measure is adopted by the people, the revisor of statutes may incorporate it into the next edition of the Minnesota Statutes or the supplement to the Minnesota Statutes in the same manner as for legislative enactments.

**Sec. 27. [3B.25] [LITERATURE MUST INCLUDE NAMES.]** Any person or committee who shall publish, issue, post, circulate, or cause to be published, issued, posted, circulated, other than in a newspaper as provided in section 28, any literature, campaign material, or any publication, including cards, pamphlets, flyers, signs, banners, leaflets, announcements, or other material tending to influence desire to sign or refusal to sign an initiative or referendum petition or the voting at an election on a ballot issue, which fails to prominently display the name and mailing address

*of the author, the name of the person or committee in whose behalf the same is published, issued, posted, or circulated, and the name and mailing address of any other person or committee causing the same to be published, issued, posted, circulated, or broadcasted shall be guilty of a misdemeanor.*

Sec. 28. [3B.26] [PAID ADVERTISEMENTS IN NEWS.] *Subdivision 1. No publisher of a newspaper, periodical, or magazine shall insert in that newspaper, magazine, or periodical, and no radio or television station shall broadcast any matter paid or to be paid for which tends or is intended to influence directly or indirectly the desire to sign or refusal to sign an initiative or referendum petition or any voting at an election on a ballot issue unless it is prominently indicated that it is a paid advertisement. There shall also be a statement of the amount paid or to be paid, or a statement that the same is to be paid at regular advertising rates, the name of the person or committee in whose behalf the matter is inserted or broadcast and of any other person or the names of the officer and the committee authorizing the publication.*

*Subd. 2. To the extent that any person sells either advertising space or broadcast time used on behalf of any measure, the charges made shall not exceed the charges made for any other comparable purpose or use according to the seller's rate schedule.*

Sec. 29. [3B.27] [PROHIBITIONS.] *Subdivision 1. No person shall:*

*(a) Be paid compensation for signing an initiative or referendum petition; or,*

*(b) Willfully refuse to file a statement of expenses regarding an initiative or referendum matter when required by law; or,*

*(c) Publish any literature, campaign material or any publication including cards, pamphlets, flyers, signs, banners, leaflets, or other material or any radio or television broadcast regarding an initiative or referendum measure which does not bear the identification required by law; or,*

*(d) Publish in any newspaper, periodical or magazine any paid advertising matter relating to an initiative or referendum matter which does not contain the identification required by law; or,*

*(e) File a petition for an initiative or referendum matter with the secretary of state without the written authorization of the sponsors; or*

*(f) Induce a person to sign a petition by fraud, force or the threat of force; or,*

*(g) Pay compensation for signing an initiative or referendum petition; or,*

*(h) Publish any information regarding an initiative or referendum matter with knowledge that it is false and which tends to substantially affect adoption or rejection of the measure.*

*Subd. 2. Any person violating any provision of subdivision 1,*

*clauses (a), (b), (c), (d) or (e) is guilty of a misdemeanor. Any person violating any provision of subdivision 1, clauses (f), (g) or (h) is guilty of a gross misdemeanor.*

**Sec. 30. [3B.28] [ACTION BY AND NOTIFICATIONS TO SPONSORS.]** *Subdivision 1. Only sponsors, or those authorized by them in writing, may file any required filing or statement regarding initiative and referendum petitions, measures or campaigns including election contests or petition signature count or validity contests.*

*Subd. 2. The signature of any of the chairmen, of the sponsors, or a person authorized in writing by a chairman, is sufficient to authorize the filing of any statement required by law. If the chairman authorizes another person to make filings of a copy of the authorization it shall be attached to the filed document.*

*Subd. 3. If notice is required to be given to the sponsors, it shall be given to those persons provided in subdivision 2 who may authorize any filing.*

**Sec. 31. [3B.29] [DATES OF ACTIONS.]** *Subdivision 1. In sections 3 to 32, whenever an action is required to be taken on a specified date or by the end of an elapsed number of days, and that day is a Saturday, Sunday or a legal holiday, the action shall be accomplished on the next day which is not a Saturday, Sunday or a legal holiday.*

*Subd. 2. In sections 3 to 32, whenever a "filing" or "receiving" is required, only physical deposit of the document with the indicated person constitutes filing or receiving. A mailing date within the time period is not sufficient.*

**Sec. 32. [3B.30] [JUDICIAL REVIEW OF INITIATIVE AND REFERENDUM MATTERS.]** *Subdivision 1. The district court shall have original jurisdiction of any suit involving:*

*(a) the sufficiency of the number or validity of signatures on petitions after the administrative determinations by the secretary of state have been exhausted; or,*

*(b) resolution of conflicts between initiative or referendum measures as provided by section 25; or,*

*(c) any suit alleging the unconstitutionality of an adopted initiative or a referendum which rejects a law but only to the extent of determining that issue.*

*Subd. 2. Venue for all suits and criminal prosecutions involving initiative or referendum matters shall be in the district court in Ramsey County.*

*Subd. 3. Suits contesting a final administrative determination of the number or validity of signatures on petitions shall be filed not later than 15 calendar days after the final determination.*

*Suits involving conflicts between initiative or referendum measures shall be filed prior to the effective date of the initiated measures or the effective date of repeal of referendum measures.*

*Subd. 4. A court may defer the effective date of an initiative measure enactment or a referendum measure repeal when a deferral, in the discretion of the court, is found to be in the interest of justice.*

Sec. 33. Minnesota Statutes 1978, Section 10A.01, Subdivision 15, is amended to read:

Subd. 15. "Political committee" means any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate.

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.

"Political committee" also includes any association which is organized to influence a petition drive, as defined by section 4, subdivision 4, or a ballot issue campaign. An association is organized to influence a petition drive or ballot issue if:

(1) They are the sponsors as defined by section 4, subdivision 6; or,

(2) They receive contributions or make expenditures in excess of \$100 to favor or oppose a petition drive or ballot issue campaign; or,

(3) They give implicit or explicit consent for any other person to receive contributions or make expenditures to favor or oppose a petition drive or ballot issue campaign.

Sec. 34. Minnesota Statutes 1978, Section 10A.20, is amended by adding a subdivision to read:

*Subd. 2a. In addition to the reports required by subdivision 2, a political committee which favors or opposes a petition drive or ballot issue campaign shall also file reports before five days after issuing of the notice provided for in section 11.*

Sec. 35. Minnesota Statutes 1978, Section 203A.31, Subdivision 2, is amended to read:

Subd. 2. [STATE PINK BALLOT.] There shall be one ballot on pink paper, hereinafter called the "pink ballot," upon which all propositions and questions constitutional amendments to be voted upon throughout the state shall be printed so that the voters may indicate by a mark (X) either a negative or affirmative vote. All initiative and referendum ballot questions shall be on one blue ballot. The order of the questions shall be in the order of their sequential numbers assigned pursuant to section 20. In preparing the pink ballot and blue ballots the secretary of state shall apply an appropriate title to each proposition and question, which title shall be approved by the attorney general, and shall consist of not more than one printed line above the proposition or question to which it refers. At the head of the ballot or in some other prominent place on the ballot there shall be printed conspicuously After

*each question on a constitutional amendment shall be printed a notice stating in substance that a voter's failure to vote on a constitutional amendment has the effect of a negative vote. The pink ballots shall be deposited in a separate pink ballot box. The blue ballots shall be deposited in a separate blue ballot box. They shall be counted, canvassed and returned as in the case of white ballots, and the tally books and return blanks shall provide suitable columns and spaces therefor. The total of the "yes" votes, the total of the "no" votes, and the total number of votes cast shall be reported in the returns.*

Sec. 36. Minnesota Statutes 1978, Section 645.02, is amended to read:

645.02 [EFFECTIVE DATE AND TIME OF LAWS.] *Subdivision 1. Each act, except one making appropriations, enacted finally at any session of the legislature takes effect on August 1 next following its final enactment, unless a different date is specified in the act.*

*Subd. 2. A special law required to be approved by the local government unit affected before it goes into effect becomes effective as to the approving unit the day following the day on which the certificate of approval prescribed by section 645.021, subdivision 1, is filed with the secretary of state, unless a later date is specified in the act. When approval of such a special law is required by two or more local government units before it may become effective, the day after the day when the last of the required certificates is filed is the effective date, unless a later date is specified in the act.*

*Subd. 3. An appropriation act or an act having appropriation items enacted finally at any session of the legislature takes effect at the beginning of the first day of July next following its final enactment, unless a different date is specified in the act.*

*Subd. 4. Any measure initiated by the voters shall be effective on December 1 following the general election day at which it is finally determined to have been approved.*

*Subd. 5. A measure which is adopted by the legislature and referred by petition to the people shall be repealed effective on December 1 following the election day at which it is finally determined to have been rejected.*

*Subd. 6. Each act law takes effect at 12:01 a.m. on the day it becomes effective, unless a different time is specified in the act.*

*If a constitutional amendment is approved at an election, the governor shall announce by proclamation that the amendment became effective 12:01 a.m. on the day after the election at which it was approved.*

Sec. 37. *Sections 3 to 36 shall be effective the day following final enactment but shall expire on the earlier of the following dates: (1) December 31, 1980 if the constitutional amendment provided in section 1 is not ratified as provided by the constitution; or (2) December 31, 1984."*

Deletes the title and insert:

"A bill for an act relating to initiative and referendum; proposing amendments to the Minnesota Constitution, Article IV, by adding sections; authorizing initiative and referendum on laws; providing a statute implementing the amendment; providing for the manner of petitioning and voting on initiative and referendum measures; providing for judicial review; providing certain restrictions on the consideration of measures; providing penalties; amending Minnesota Statutes 1978, Sections 10A.01, Subdivision 15; 10A.20, by adding a subdivision; 203A.31, Subdivision 2; and 645.02."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

### SECOND READING OF SENATE BILLS

S. F. Nos. 2331, 1890, 1941, 1581, 1828, 1724, 1597 and 2281 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. No. 1717 and H. F. Nos. 1653, 2262, 1800, 1996, and 1949 which the committee recommends to pass.

H. F. No. 2187 which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 3, delete section 2 and insert:

"Sec. 2. [DEFINITIONS.] For the purposes of this act the terms defined in this section have the meanings given them.

Subd. 2. Local Government Information Systems (LOGIS) is that organization of government units organized pursuant to an agreement effective on May 25, 1972, entered into under the provisions of Minnesota Statutes, Section 471.59, for the purpose of providing data processing services to its members.

Subd. 3. "Member" means a government unit which is a party to the agreement specified in subdivision 2. The term does not include "associate members" as that term is defined in article XI of the agreement.

Subd. 4. LOGIS is a municipality within the meaning of Minnesota Statutes, Section 475.51, Subdivision 2. The governing body of LOGIS is its board of directors.

Subd. 5. "Data processing equipment" means computer equipment, related hardware and software, and other items of capital equipment necessary for the efficient and economical provision of data processing services by LOGIS to its members.

Sec. 3. [BONDS; PURPOSES.] LOGIS may issue and sell its bonds or other obligations in the manner prescribed by Minnesota Statutes, Chapter 475 and this act for the acquisition and betterment of data processing equipment.

Sec. 4. [BONDS; TYPES.] Subdivision 1. [GENERAL OBLIGATIONS; REFERENDUM.] LOGIS may by resolution adopted by a unanimous vote of its board of directors and approved by the governing body of each member issue and sell its general obligation bonds for the acquisition and betterment of data processing equipment pursuant to this subdivision. If the principal amount of bonds to be issued exceeds one percent of the assessed valuation of all taxable property in the member having the smallest population, the bonds may not be issued until ten days have elapsed after the publication in a newspaper of general circulation in all members of the resolution authorizing their issuance; and if before that time, a petition asking for an election on the proposition signed by voters of any member equal to ten percent of the number of voters at the last regular municipal election in the member is filed with the clerk of the member, the bonds may not be issued unless the proposition for their issuance has been approved by a majority of the voters of the member at a regular or special election. Before issuing bonds under this subdivision the board of directors shall certify to each member and to the county auditor or auditors the taxes required to be levied for the payment of the bonds by Minnesota Statutes, Section 475.61. The county auditor shall apportion the proportionate share of each member in the taxes to each member based upon the ratio of the assessed valuation of property in the member to the assessed valuation of all members.

Subd. 2. [GENERAL OBLIGATION REVENUE BONDS.] LOGIS may also by resolution adopted by unanimous vote of its board of directors and approved by the governing body of each member issue and sell its general obligation bonds for the acquisition and betterment of data processing equipment pursuant to this subdivision. The resolution authorizing the issuance of the bonds shall contain a covenant or agreement that the board of directors will establish, maintain, revise when necessary and collect rates and charges from members and others to whom services are provided in the amounts and at the times required to produce net revenues sufficient to pay when due the principal of and interest on the bonds and the board of directors shall covenant and pledge the net revenues to the payment of principal and interest. The required covenants shall be enforceable by appropriate actions by any bondholder or taxpayer of any member in a court of competent jurisdiction. Bonds issued pursuant to this

subdivision are deemed payable wholly from the income of a revenue producing convenience within the meaning of Minnesota Statutes, Sections 475.51 and 475.58. In the event a tax levy is made for the payment of principal and interest on bonds issued pursuant to this subdivision the tax shall be levied and apportioned in the manner prescribed by subdivision 1.

Subd. 3. [BONDS; OTHER.] LOGIS may also issue and sell any other obligation authorized by Minnesota Statutes, Chapter 475 for the acquisition and betterment of data processing equipment in the manner prescribed by Minnesota Statutes, Chapter 475.

Sec. 5. [MEMBERS; LEASES; FINANCING.] A member of LOGIS may acquire data processing equipment and may lease the equipment to LOGIS, and LOGIS is authorized to enter into the equipment lease. The rental payments under the lease may be pledged by the member to the payment of principal and interest on obligations issued by the member for the acquisition of the equipment. The governing body of the member issuing obligations under this section may make the pledges and covenants specified in section 3, subdivision 2, and when the covenants and pledges are made the obligations are deemed payable wholly from the income of a revenue producing convenience within the meaning of Minnesota Statutes, Sections 475.51 and 475.58.

Sec. 6. [REVENUE PRODUCING CONVENIENCE.] Data processing equipment acquired by LOGIS or a member is a revenue producing convenience within the meaning of Minnesota Statutes, Chapter 475.

Sec. 7. [OBLIGATIONS; DEBT LIMITS.] Obligations issued pursuant to this act shall not be included in the computation of net debt of LOGIS or of any member.

Sec. 8. [INSTALLMENT PURCHASES.] LOGIS may acquire data processing equipment in the same manner and subject to the same limitations as a city under Minnesota Statutes, Section 465.71.

Sec. 9. [REFINANCING.] LOGIS or a member may issue and sell obligations authorized by this act to refund the outstanding obligations of the city of Brooklyn Center dated September 1, 1979. Obligations issued pursuant to this section shall be issued in accordance with the provisions of Minnesota Statutes, Section 475.67.

Sec. 10. The city of Brooklyn Center may fix sewer charges on any equitable basis including the age or income of the recipient of the service.

Sec. 11. [EFFECTIVE DATE.] Section 1 is effective the day following its final enactment. Sections 2 to 10 are effective upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3 by the board of directors of LOGIS and the city council of the city of Brooklyn Center."

Amend the title as follows:

Page 1, line 2, delete "state lands" and insert "local government"

Page 1, line 4, before the period, insert "; permitting the acquisition and financing of data processing equipment by Local Government Information Systems and its members; providing for sewer charges by the city of Brooklyn Center on an equitable basis"

The motion prevailed. So the amendment was adopted.

H. F. No. 2075, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 2, line 23, before the period, insert "*or has commenced a schedule of the immunizations, in which case the dates of the immunizations shall be stated*"

The motion prevailed. So the amendment was adopted.

H. F. No. 2374, which the committee recommends to pass the following amendment offered by Mr. Stumpf:

Page 2, line 4, delete "13" and insert "15"

Page 2, line 17, delete "two" and insert "four"

The motion prevailed. So the amendment was adopted.

H. F. No. 1095, which the committee recommends to pass with the following amendments offered by Mr. Merriam:

Mr. Merriam moved to amend H. F. No. 1095, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1085.)

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1978, Section 487.30, Subdivision 1, is amended to read:

487.30 [CONCILIATION COURT.] 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 \$1,500 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. 2. Minnesota Statutes 1978, Section 487.30, is amended by adding a subdivision to read:

*Subd. 5. If a conciliation court judgment has been docketed in county court for a period of at least 30 days, the judgment is not satisfied and the parties have not otherwise agreed, the county court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity and location of all his assets, liabilities, and personal earnings. The information shall be pro-*

*vided on a form prescribed by the court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within seven days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who willfully fails to comply with the order of the court may be cited for contempt of court.*

Sec. 3. Minnesota Statutes 1978, 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 \$1,500 . 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. 4. Minnesota Statutes 1978, Section 488A.13, Subdivision 2, is amended to read:

Subd. 2. [CLERK OF MUNICIPAL COURT; DUTIES; RECORDS.] (a) The clerk of the municipal court shall serve as the clerk of the conciliation court. He shall delegate deputy clerks of the municipal court to assist him in performing his duties under ~~this act sections 488A.12 to 488A.17~~. The clerk shall keep ~~such~~ the records and accounts and perform ~~such the~~ duties as may be prescribed by the judges. He shall account for and pay over to the county of Hennepin all fees received by him in the same fashion as required in his capacity as clerk of municipal court.

*Under the supervision of the conciliation court judges, the clerk shall explain to litigants the procedures and functions of the conciliation court and shall assist them in filling out all forms and pleadings necessary for the presentation of their claims or counterclaims to the court. The clerk shall assist a judgment creditor in the preparation of the forms necessary to obtain satisfaction of a final judgment. The performance of duties described in this subdivision shall not constitute the practice of law.*

(b) The clerk may, upon the consent of all the judges of municipal court of the county of Hennepin, destroy or dispose of all the following files and records of said court, which have been on file for more than 20 years:

- (1) Complaint files;
- (2) Transcript receipts;

(3) Cash receipt books;

(4) Cancelled checks.

Sec. 5. Minnesota Statutes 1978, Section 488A.14, Subdivision 4, is amended to read:

Subd. 4. [HEARING, DATE; SUMMONS.] When an action has been properly commenced, the clerk shall set a date for court hearing and advise the plaintiff of the date set. The clerk shall promptly summon the defendant by mail or by personal service in the manner then provided for personal service of a summons in said *the* municipal court. The summons shall state the amount and nature of the claim; shall require the defendant to appear at the hearing; shall specify that if he does not appear judgment by default will be entered against him for the relief demanded and shall summarize the requirements for filing a counterclaim. Unless otherwise ordered by a judge, the hearing date shall be not less than ~~ten~~ 15 days from the date of mailing or service of the summons.

Sec. 6. Minnesota Statutes 1978, Section 488A.14, Subdivision 5, is amended to read:

Subd. 5. [COUNTERCLAIM.] (a) The defendant may interpose as counterclaim any claim within the jurisdiction of the court which he has against the plaintiff whether or not arising out of the transaction or occurrence which is the subject matter of the plaintiff's claim.

(b) The counterclaim shall be interposed by filing with the clerk a brief statement of the amount, date of accrual and nature of the counterclaim, verified by the defendant or his attorney, and paying a filing fee of \$2 to the clerk. If the defendant is not represented by an attorney the clerk shall draw up the counterclaim on request.

(c) The clerk shall note the filing of the counterclaim on the original claim, promptly notify the plaintiff or his attorney by mail of the filing and set the counterclaim for hearing on the same date as the original claim.

(d) The counterclaim shall be filed not less than ~~five~~ *ten* days before the date set for court hearing. The judge, in his discretion, may thereafter allow the filing of a written or oral counterclaim before or after hearing the merits of the claim and counterclaim. The judge, in his discretion, may require the payment of absolute or conditional costs up to \$25 by the defendant as a condition of allowing late filing in the event that a continuance is requested by the plaintiff and is granted because of such *the* late filing.

(e) If the defendant has a counterclaim arising out of the same transaction or occurrence which exceeds the jurisdiction of the court and the defendant files an affidavit by himself or his attorney with the clerk not less than ~~five~~ *ten* days before the date set for court hearing showing that he has filed with the clerk of a specified other court of competent jurisdiction a summons and

complaint seeking recovery from the plaintiff on the counterclaim and stating the nature and amount thereof, the clerk shall strike the action from the calendar and so advise the plaintiff or his attorney by mail. If the plaintiff not less than 30 days nor more than three years after the filing of such an affidavit shall file an affidavit showing that he has not been served with a summons in the other action or that the other action has been finally determined, the clerk shall again set the cause for court hearing and summon the defendant in the same manner as for the initial hearing and the court shall proceed to hear and determine plaintiff's claim. If no such counter affidavit is filed by plaintiff within three years, his original claim is dismissed without prejudice without any further action by the clerk or any judge. Prior to the expiration of this three year period the plaintiff's original claim may be dismissed by plaintiff or by court order at a hearing upon motion of the defendant.

Sec. 7. Minnesota Statutes 1978, Section 488A.16, Subdivision 2, is amended to read:

Subd. 2. [ENTRY OF JUDGMENT.] The clerk shall enter judgment forthwith as ordered by the court, dating the judgment entry the same date as notice is mailed to the parties. Unless: (1) otherwise ordered by a judge, (2) payment has been made in full, (3) removal to municipal court has been perfected or (4) an order vacating the prior order has been filed, the judgment so entered by the clerk becomes finally effective ten 15 days after the mailing of notice.

Sec. 8. Minnesota Statutes 1978, Section 488A.16, Subdivision 5, is amended to read:

Subd. 5. [VACATION OF ORDER FOR JUDGMENT WITHIN FIFTEEN DAYS.] When a default judgment or a judgment of dismissal on the merits has been ordered for failure to appear, the judge, within ten 15 days after notice thereof was mailed, may vacate the order for judgment ex parte and grant a new hearing, if the defaulting party shows lack of notice, mistake, inadvertence, or excusable neglect as the cause of his failure to appear. Absolute or conditional costs not exceeding \$25 to the other party may be ordered as a prerequisite to that relief. The clerk shall notify the other party by mail of the new hearing date.

Sec. 9. Minnesota Statutes 1978, Section 488A.16, Subdivision 6, is amended to read:

Subd. 6. [VACATION OF JUDGMENT AFTER FIFTEEN DAYS.] When a defendant shows that he did not receive a summons before the hearing within sufficient time to permit a defense and that he did not receive notice of the order for default judgment within sufficient time to permit him to make application for relief within ten 15 days or shows other good cause within six months from the date of entry of judgment, a judge may vacate a default judgment with or without payment of absolute or conditional costs. The clerk shall notify the parties by mail of the new hearing date.

Sec. 10. Minnesota Statutes 1978, Section 488A.16, Subdivision 8, is amended to read:

Subd. 8. [DOCKETING AND ENFORCEMENT IN MUNICIPAL COURT.] When a judgment has become finally effective under subdivision 2, the judgment creditor may obtain a transcript of the judgment from the clerk of conciliation court on payment of a fee of fifty cents therefor and file it with the clerk of the municipal court of the county of Hennepin. After filing of the transcript, the judgment becomes, and is enforceable as, a judgment of the municipal court. No writ of execution or garnishment summons may be issued out of conciliation court. *If a conciliation court judgment has been docketed as a municipal court judgment for a period of at least 30 days, the judgment is not satisfied and the parties have not otherwise agreed, the municipal court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity and location of all his assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within seven days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who willfully fails to comply with the order of the court may be cited for contempt of court.*

Sec. 11. Minnesota Statutes 1978, Section 488A.17, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be so removed unless all of the following acts are performed by the aggrieved party within ~~ten~~ 15 days after the date the clerk mailed to him notice of the order for judgment:

(a) Serve on the opposing party or his attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party *by mail or by personal service* in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) File with the clerk of conciliation court the original demand for removal and proof of service thereof. If the opposing party or his attorney cannot be found and service of the demand *be is* made within the ~~ten~~ 15 day period, the aggrieved party may file with the clerk within the ~~ten~~ 15 day period the original and a copy of the demand, together with an affidavit by himself or his attorney

showing that due and diligent search has been made and that the opposing party or his attorney cannot be found and the filing of this affidavit shall serve in lieu of making service and filing proof of service. When such an affidavit is filed, the clerk shall mail the copy of the demand to the opposing party at his last known residence address.

(c) File with the clerk of conciliation court an affidavit by the aggrieved party or his attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Pay to the clerk of conciliation court \$2 when the demand is for trial by court, plus \$5 additional when the demand is for trial by a jury of six persons.

Sec. 12. Minnesota Statutes 1978, Section 488A.17, Subdivision 3, is amended to read:

Subd. 3. [LIMITED REMOVAL OF CAUSE, PROCEDURE.]

(a) When a motion for vacation of a judgment or an order for judgment under subdivision 5 or 6 of section 488A.16 has been denied, the aggrieved party may demand limited removal to the municipal court of the county of Hennepin for hearing de novo of his motion. The demand for limited removal and notice of the hearing de novo must be served by the aggrieved party on the other party in accordance with the provisions of subdivision 2(a) of this section and the original demand and notice, with proof of service, must be filed with the clerk of conciliation court within ~~ten~~ 15 days after the motion has been denied, or the original and one copy of the demand and notice, together with an affidavit similar to that required by subdivision 2(b) of this section must be filed with the clerk of conciliation court within said ~~ten day~~ *the 15 day* period. When such an affidavit is filed, the clerk shall then mail the copy of the demand and notice to the other party at his last known residence address. The aggrieved party shall pay a fee of \$2 to the clerk of conciliation court for filing the demand and notice and this fee shall not be recoverable as a disbursement. The notice shall set a date for hearing de novo at a special term of the municipal court not less than ten days nor more than thirty days subsequent to the date of filing the original demand and notice.

(b) The clerk of conciliation court thereupon shall pay over to the municipal court the \$2 fee and shall file in municipal court the removal demand and notice together with all orders, affidavits, and other papers filed in conciliation court. The clerk of municipal court shall then place the cause on the special term calendar of the municipal court for hearing on the date specified in the notice.

(c) A municipal judge, other than the conciliation judge who denied the motion, shall hear the motion de novo at special term and may deny the motion, without allowance of costs, or grant the motion, with or without the allowance of absolute or conditional costs. At the hearing de novo the municipal judge shall consider the entire file of the conciliation court together with any subsequent affidavits of showing made by either party.

(d) The clerk of municipal court shall send a copy of the order made after the de novo hearing to both parties and return the file to the clerk of conciliation court.

Sec. 13. Minnesota Statutes 1978, 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 \$1,500 . 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. 14. Minnesota Statutes 1978, Section 488A.30, Subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATOR, DUTIES.] The administrator of the municipal court shall serve as the administrator of the conciliation court. He shall delegate necessary employees of the municipal court to assist him in performing his duties under this act sections 488A.29 to 488A.34. The administrator shall keep such the records and accounts and perform such the duties as may be prescribed by the judges. He shall account for and pay over to the county of Ramsey all fees received by him in the same fashion as required in his capacity as administrator of municipal court.

*Under the supervision of the conciliation court judges, the administrator of the conciliation court shall explain to litigants the procedures and functions of the conciliation court and shall assist them in filling out all forms and pleadings necessary for the presentation of their claims or counterclaims to the court. The administrator shall assist judgment creditors in the preparation of the forms necessary to obtain satisfaction of a final judgment. The performance of duties described in this subdivision shall not constitute the practice of law.*

Sec. 15. Minnesota Statutes 1978, Section 488A.31, Subdivision 4, is amended to read:

Subd. 4. [HEARING, DATE; SUMMONS.] When an action has been commenced, the administrator shall set a date for court hearing and advise the plaintiff of the date set. The administrator shall promptly summon the defendant by mail. The summons shall state the amount and nature of the claim; shall require the defendant to appear at the hearing; shall specify that if he does not appear judgment by default will be entered against him for the relief demanded and shall summarize the requirements for filing a counterclaim. Unless otherwise ordered by a judge, the hearing

date shall not be less than ten 15 days from the date of mailing or service of the summons.

Sec. 16. Minnesota Statutes 1978, Section 488A.31, Subdivision 5, is amended to read:

Subd. 5. [COUNTERCLAIM.] (a) The defendant may interpose as a counterclaim any claim within the jurisdiction of the court which he has against the plaintiff whether or not arising out of the transaction or occurrence which is the subject matter of the plaintiff's claim.

(b) The counterclaim shall be interposed by filing with the administrator a brief statement of the amount, date of accrual and nature of the counterclaim, verified by the defendant, his attorney or agent, and paying a filing fee of \$3 to the administrator. The administrator shall draw up the counterclaim on request.

(c) The administrator shall note the filing of the counterclaim on the original claim, promptly notify the plaintiff by mail of the filing and set the counterclaim for hearing on the same date as the original claim.

(d) The counterclaim shall be filed not less than five ten days before the date set for court hearing. The judge, in his discretion, may thereafter allow the filing of written or oral counterclaim before or after hearing the merits of the claim and counterclaim. The judge, in his discretion, may require the payment of absolute or conditional costs up to \$25 by the defendant to the plaintiff as a condition of allowing late filing in the event that a continuance is requested by the plaintiff and is granted because of such the late filing.

(e) If the defendant has a counterclaim which exceeds the jurisdiction of the court and the defendant files an affidavit by himself, his attorney or agent with the administrator not less than five ten days before the date set for court hearing showing that he has filed with the administrator of a specified other court of competent jurisdiction a complaint seeking recovery from the plaintiff on the counterclaim and stating the nature and amount thereof, the administrator shall strike the action from the calendar and so advise the plaintiff by mail. If the plaintiff not less than 30 days nor more than three years after the filing of such an affidavit shall file an affidavit showing that he has not been served with a summons in the other action or that the other action has been finally determined, the administrator shall again set the cause for court hearing and summon the defendant in the same manner as for the initial hearing and the court shall proceed to hear and determine plaintiff's claim. If no such counter-affidavit is filed by plaintiff within three years, his original claim is dismissed without prejudice without any further action by the administrator or any judge. Prior to the expiration of this three year period the plaintiff's original claim may be dismissed by plaintiff or by court order at a hearing upon motion of the defendant.

Sec. 17. Minnesota Statutes 1978, Section 488A.33, Subdivision 2, is amended to read:

Subd. 2. [ENTRY OF JUDGMENT.] The administrator shall enter judgment forthwith as ordered by the court, dating the judgment entry the same date as notice is mailed to the parties. Unless: (1) otherwise ordered by a judge, (2) payment has been made in full, (3) removal to municipal court has been perfected or (4) an order vacating the prior order has been filed, the judgment so entered by the administrator becomes final ~~ten~~ 15 days after the mailing of notice.

Sec. 18. Minnesota Statutes 1978, Section 488A.33, Subdivision 5, is amended to read:

Subd. 5. [VACATION OF ORDER FOR JUDGMENT WITHIN FIFTEEN DAYS.] When a default judgment or a judgment of dismissal on the merits has been ordered for failure to appear, the judge, within ~~ten~~ 15 days after notice thereof was mailed, may vacate the order for judgment ex parte and grant a new hearing, if the defaulting party shows lack of notice, mistake, inadvertence, or excusable neglect as the cause of his failure to appear. Absolute or conditional costs not exceeding \$25 to the other party may be ordered as a prerequisite to that relief. The administrator shall notify the other party by mail of the new hearing date.

Sec. 19. Minnesota Statutes 1978, Section 488A.33, Subdivision 7, is amended to read:

Subd. 7. [DOCKETING AND ENFORCEMENT IN MUNICIPAL COURT.] When a judgment has become final under subdivision 2, the judgment creditor may obtain a transcript of the judgment from the administrator of conciliation court and file it with the administrator of the municipal court upon payment of the filing fees as prescribed for the municipal court. After filing of the transcript, the judgment becomes, and is enforceable as, a judgment of the municipal court. A transcript of a judgment payable in installments may not be so obtained and filed until 20 days after default in the payment of an installment. No writ of execution nor garnishment summons may be issued out of conciliation court. *If a transcript of a judgment has been filed for a period of at least 30 days, the judgment is not satisfied or an installment thereof remains overdue and the parties have not otherwise agreed, the municipal court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity and location of all his assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within seven days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who willfully fails to comply with the order of the court may be cited for contempt of court.*

Sec. 20. Minnesota Statutes 1978, Section 488A.33, Subdivision 8, is amended to read:

Subd. 8. [VACATION OF JUDGMENT AFTER FIFTEEN DAYS.] When a defendant shows that he did not receive a summons before the hearing within sufficient time to permit a defense and that he did not receive notice of the order for default judgment within sufficient time to permit him to make application for relief within ~~ten~~ 15 days or shows other good cause, a judge may vacate a default judgment after notice to the plaintiff and grant a new hearing on the merits with or without payment of absolute or conditional costs. The administrator shall notify the parties by mail of the new hearing date.

Sec. 21. Minnesota Statutes 1978, Section 488A.34, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be so removed unless all the following acts are performed by the aggrieved party within ~~ten~~ 15 days after the date the administrator mailed to him notice of the order for judgment:

(a) Serve on the opposing party or his attorney a demand for removal of the cause to the municipal court for trial *de novo* stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party *by mail or by personal service* in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) File with the administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or his attorney cannot be found and service of the demand ~~be is~~ made within the ~~ten day~~ 15 day period, the aggrieved party may file with the administrator within the ~~ten day~~ 15 day period the original and a copy of the demand, together with an affidavit by himself or his attorney showing that due and diligent search has been made and that the opposing party or his attorney cannot be found and the filing of this affidavit shall serve in lieu of making service and filing proof of service. When such an affidavit is filed, the administrator shall mail the copy of the demand to the opposing party at his last known address.

(c) File with the administrator of conciliation court an affidavit by the aggrieved party or his attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Pay to the administrator of conciliation court \$6 when the demand is for trial by court, plus \$6 additional when the demand is for trial by a jury of six.

Sec. 22. Minnesota Statutes 1978, Section 488A.34, Subdivision 12, is amended to read:

**Subd. 12. [LIMITED REMOVAL OF CAUSE, PROCEDURE.]**

(a) When a motion for vacation of a judgment or an order for judgment under section 488A.33, subdivisions 5 or 8, has been denied, the aggrieved party may demand limited removal to the municipal court for hearing de novo of his motion. The demand for limited removal and notice of the hearing de novo must be served by the aggrieved party on the other party in accordance with the provisions of subdivision 2, clause (a), and the original demand and notice, with proof of service, must be filed with the administrator of conciliation court within ~~ten~~ 15 days after the motion has been denied, or the original and one copy of the demand and notice, together with an affidavit similar to that required by subdivision 2, clause (b), must be filed with the administrator of conciliation court within ~~said ten~~ *the* 15 day period. When such an affidavit is filed, the administrator shall then mail the copy of the demand and notice to the other party at his last known residence address. The aggrieved party shall pay a fee of \$3 to the clerk of conciliation court for filing the demand and notice and this fee shall not be recoverable as a disbursement. The notice shall set a date for hearing de novo at a special term of the municipal court not less than ten days nor more than 30 days subsequent to the date of filing the original demand and notice.

(b) The administrator of conciliation court thereupon shall pay over to the municipal court the \$3 fee and shall file in municipal court the removal demand and notice together with all orders, affidavits, and other papers filed in conciliation court. The administrator of municipal court shall then place the cause on the special term calendar of the municipal court for hearing on the date specified in the notice.

(c) A municipal judge, other than the conciliation judge who denied the motion, shall hear the motion de novo at special term and may deny the motion, without allowance of costs, or grant the motion, with or without the allowance of absolute or conditional costs. At the hearing de novo the municipal judge shall consider the entire file of the conciliation court together with any subsequent affidavits of showing made by either party.

(d) The administrator of municipal court shall send a copy of the order made after the de novo hearing to both parties and return the file to the administrator of conciliation court."

Page 2, line 29, delete "*This act is*" and insert "*Sections 1 to 22 are effective August 1, 1980. Sections 23 and 24 are*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "raising the jurisdictional limit for conciliation court; providing for additional clerk and administrator duties in conciliation court; providing for a procedure to assist in collection of conciliation court judgments; changing certain deadlines; providing penalties;"

Page 1, line 6, after "Sections" insert "487.30, Subdivision 1, and by adding a subdivision; 488A.12, Subdivision 3; 488A.13, Subdivision 2; 488A.14, Subdivisions 4 and 5; 488A.16, Subdivisions 2, 5, 6 and 8; 488A.17, Subdivisions 2 and 3; 488A.29, Subdivision 3; 488A.30, Subdivision 2; 488A.31, Subdivisions 4 and 5; 488A.33, Subdivisions 2, 5, 7 and 8; 488A.34, Subdivisions 2 and 12;"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend H. F. No. 1095, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1085.)

Page 1, after line 9 insert:

Section 1. Minnesota Statutes 1978, Section 484.545, Subdivision 1, is amended to read:

484.545 [LAW CLERKS.] Subdivision 1. The district judges regularly assigned to hold court in each judicial district except for the second and , fourth, and tenth judicial districts may by orders filed with the clerk of court and county auditor of each county in the district appoint a competent law clerk for every two district court judges of the judicial district. *The district judges regularly assigned to hold court in the tenth judicial district may by orders filed with the clerk of court and county auditor of each county in the district appoint a competent law clerk for each district court judge of the district.* In addition, the Dakota county board of commissioners may authorize the district judges regularly assigned to hold court in the first judicial district to appoint three competent law clerks, whose salaries shall be paid by the county.

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing the appointment of a law clerk for each district court judge in the tenth judicial district;"

Page 1, line 6, after "Sections" insert "484.545, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

H. F. No. 874, which the committee recommends to pass with the following amendments offered by Messrs. Dieterich; Coleman; Ueland, A. and Stern.

Mr. Dieterich moved to amend the amendment placed on H. F. No. 874 by the Committee on Governmental Operations, adopted by the Senate March 6, 1980, as follows:

After Section 1 insert:

"Sec. 2. Minnesota Statutes 1978, Section 8.025, is amended to read:

**8.025 [PART TIME SPECIAL ATTORNEYS, PAYMENT ON HOURLY BASIS.]** No part time special attorney, *other than a bond counsel*, assigned to any professional or occupational licensing board of state government or to the metropolitan council or a metropolitan commission, including the metropolitan airports commission, after having received \$10,000 for his official duties in any fiscal year, regardless of the fund from which he is paid, shall be paid an hourly amount exceeding the equivalent amount paid full time special assistant attorneys general, plus reasonable office expenses, as approved by the attorney general.

Sec. 3. Minnesota Statutes 1978, Section 8.06, is amended to read:

**8.06 [ATTORNEY FOR STATE OFFICERS, BOARDS, OR COMMISSIONS; EMPLOY COUNSEL.]** The attorney general shall act as the attorney for all state officers and, all boards or commissions created by law and metropolitan commissions, including the metropolitan airports commission, in all matters pertaining to their official duties and, upon request, may act as attorney for the metropolitan council. When requested by the attorney general, it shall be the duty of any county attorney of the state to appear within his county and act as attorney for any such the board, commission, council or officer in any court of such the county, and. When, in his judgment, the public welfare will be promoted thereby the attorney general may, upon request in writing, employ a special attorney for any such board, council, commission, or officer and fix his compensation, and. When such the special attorney is so employed his fees or salary shall be paid from the appropriation made for such the board, council, commission, or officer. Except as herein provided, no board, commission, council or officer shall hereafter employ any attorney at the expense of the state.

Whenever the attorney general, the governor, and the chief justice of the supreme court shall certify, in writing, filed in the office of the secretary of state, that it is necessary, in the proper conduct of the legal business of the state, either civil or criminal, that the state employ additional counsel, the attorney general shall thereupon be authorized to employ such the counsel and, with the governor and the chief justice, fix his compensation. Except as herein stated, no additional counsel shall be employed and the legal business of the state shall be performed exclusively by the attorney general and his assistants."

After Section 35, insert:

"Sec. 38. Minnesota Statutes 1978, Section 473.129, Subdivision 2, is amended to read:

**Subd. 2. [OFFICERS AND EMPLOYEES.]** The metropolitan council may prescribe all terms and conditions for the employment of its officers, employees, and agents *other than legal staff provided by the attorney general* including but not limited to the fixing of compensation, their classification, benefits, and the filing of performance and fidelity bonds and such policies of insurance as

it may deem advisable, the premium for which, however, shall be paid for by the district. *The attorney general shall provide legal services to the metropolitan council in the manner provided for in section 8.06. The costs of providing the legal services shall be paid by the council.* Officers and employees of the metropolitan council, however, are public employees. The compensation and other conditions of employment of such the officers and employees shall not be governed by any rule applicable to state employees in the classified service nor to any of the provisions of chapter 15A, unless the council so provides. Those employed by the metropolitan council are members of the Minnesota state retirement system. Those employed by a predecessor of the metropolitan council and transferred to it may at their option become members of the Minnesota state retirement system or may continue as members of the public retirement association to which they belonged as employees of the predecessor of the metropolitan council. The metropolitan council shall make the employer's contributions to pension funds of its employees.

Sec. 39. Minnesota Statutes 1978, Section 473.129, Subdivision 3, is amended to read:

Subd. 3. [CONSULTING CONTRACTS.] The metropolitan council may contract for the services of consultants who perform engineering, legal, or other services of a professional nature other than legal services. *The council may contract with the attorney general to act as attorney for the council. Such* The contracts shall not be subject to the requirements of any law relating to public bidding.

Sec. 40. Minnesota Statutes 1978, Section 473.141, Subdivision 13, is amended to read:

Subd. 13. [COMMISSION OPERATING PROCEDURES.] (a) The commission shall adopt resolutions and bylaws, an administrative code establishing procedures for commission action, keeping records, approving claims, authorizing and making disbursements, authorizing contracts, safekeeping funds and audit of all financial operations of the commission.

(b) The commission and the council may enter into contracts with each other and with other commissions and governmental units for the joint exercise of powers in the manner provided by section 471.59; provided that no commission shall enter into any contract with the council which would assign any operations authority, responsibility or function, other than planning or making studies, from the commission to the council.

(c) *The commission shall use the office of the attorney general to provide legal services in the manner provided in section 8.06 and shall pay the cost of providing the services.*

Section 38, line 1, delete "2 and 31" and insert "4 and 33"

Line 2, delete "3" and insert "5"

Line 3, delete "7" and insert "9"

Line 4, delete "8" and insert "10"

Line 5, delete "3" and insert "5"

Renumber the sections in sequence

Amend the title amendment as follows:

Line 3, after "3.965;" insert "8.06; 8.025;"

Line 8, after "8;" insert "473.129, Subdivisions 2 and 3; 473.143, Subdivision 13;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Luther	Olson	Stokowski
Ashbach	Gearty	McCutcheon	Perpich	Strand
Benedict	Gunderson	Menning	Setzepfandt	Stumpf
Chmielewski	Hanson	Moe	Sillers	Tennessee
Coleman	Hughes	Nelson	Spear	Vega
Davies	Johnson	Olhoft	Stern	Willet

Those who voted in the negative were:

Bang	Frederick	Merriam	Rued	Staples
Barrette	Humphrey	Ogdahl	Schaaf	Ueland, A.
Bernhagen	Jensen	Omman	Schmitz	
Brataas	Kirchner	Penny	Sieloff	
Dunn	Knoll	Pillsbury	Sikoraki	
Engler	Knutson	Renneke	Solon	

The motion prevailed. So the amendment was adopted.

Mr. Coleman moved to amend the amendment placed on H. F. No. 874 by the Committee on Governmental Operations, adopted by the Senate March 6, 1980, as follows:

Section 2, subdivision 2, line 5, before the period, insert "*the metropolitan council and metropolitan commissions, including the metropolitan airports commission*"

After Section 35, insert:

"Sec. 36. Minnesota Statutes 1978, Section 473.123, Subdivision 5, is amended to read:

Subd. 5. [METROPOLITAN COUNCIL; DUTIES AND COMPENSATION.] The metropolitan council shall elect such officers as it deems necessary for the conduct of its affairs other than the chairman. A secretary and treasurer need not be members of the metropolitan council. Meeting times and places shall be fixed by the metropolitan council and special meetings may be called by a majority of the members of the metropolitan council or by the chairman thereof. Each metropolitan council member other than the chairman shall be paid a per diem compensation of \$50 for each meeting and for such other services as authorized by the

metropolitan council, and shall be reimbursed for his reasonable expenses.

In the performance of its duties the metropolitan council may promulgate rules governing its operation, establish committees, divisions, departments and bureaus and staff the same as necessary to carry out its duties and when specifically authorized by law make appointments to other governmental agencies and districts. All officers and employees of the metropolitan council shall serve at the pleasure of the appointing authority in the unclassified service of the state civil service. Rules promulgated by the metropolitan council shall be in accordance with the administrative procedure provisions contained in chapter 15. *Judicial review of contested case decisions of the council shall be on a de novo basis.*"

Renumber the sections in sequence

Amend the title amendment as follows:

Line 8, after "8;" insert "473.123, Subdivision 5;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	McCutcheon	Perpich	Sillers
Brataas	Hughes	Moe	Purfeerst	Strand
Chmielewski	Johnson	Nelson	Renneke	Tennessee
Coleman	Keefe, J.	Nichols	Schmitz	Vega
Davies	Kleinbaum	Olson	Setzepfandt	Wegener
Engler	Knutson	Penny	Sikorski	Willet

Those who voted in the negative were:

Bang	Frederick	Knaak	Omann	Staples
Barrette	Gearty	Knoll	Pillsbury	Stern
Benedict	Humphrey	Luther	Rued	Stokowski
Bernhagen	Jensen	Mennings	Schaaf	Stumpf
Dieterich	Keefe, S.	Ogdahl	Sieloff	Ulland, J.
Dunn	Kirchner	Olhoft	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Ueland, A. moved to amend the amendment placed on H. F. No. 874 by the Committee on Governmental Operations, adopted by the Senate March 6, 1980, as follows:

After section 35, insert:

"Sec. 36. Minnesota Statutes 1978, Section 16.073, is amended to read:

16.073 [PREFERENCE FOR MATERIALS FROM CERTAIN COUNTRIES.] Subdivision 1. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them:

(a) "State" means the state of Minnesota or any agency thereof, a contractor acting pursuant to a contract with the state, and any person acting on behalf of the state or any agency thereof;

(b) "Materials" means any goods, supplies, equipment or any other tangible products or materials;

(c) "Manufactured" means mined, produced, manufactured, fabricated or assembled;

(d) "Manufactured in the United States a preferred country" means manufactured in whole or in substantial part within the United States, *Mexico or Canada* or that the majority of the component parts thereof were manufactured in whole or in substantial part in the United States, *Mexico or Canada*;

(e) "Purchase" means acquire by purchase or lease.

(f) "*Preferred country*" means the United States, *Mexico or Canada*.

Subd. 2. [PURCHASE PREFERENCE.] Notwithstanding the provisions of any other law to the contrary, no materials shall be purchased by the state for use for governmental purposes which are not manufactured in ~~the United States a preferred country~~, except as may be provided in this section. When all other factors are substantially equal, preference shall be given to those products which are manufactured to the greatest extent in ~~the United States a preferred country~~. To the extent possible, specifications shall be written so as to permit the state to purchase materials manufactured in ~~the United States a preferred country~~.

Subd. 3. [EXEMPTIONS.] Subdivision 2 shall not apply if the person having contracting authority in respect to the purchase determines that (1) the materials are not manufactured in ~~the United States a preferred country~~ in sufficient or reasonably available quantities, (2) the price or bid of the materials unreasonably exceeds the price or bid of available and comparable materials manufactured outside of the ~~United States preferred countries~~, (3) the quality of the materials is substantially less than the quality of comparably priced available materials manufactured outside of the ~~United States preferred countries~~, or (4) the purchase of the materials manufactured in the ~~United States preferred countries~~ is otherwise not in the public interest. Subdivision 2 also shall not apply if the materials are purchased with a view to commercial resale or with a view to use in the production of goods for commercial sale."

Renumber the sections in sequence

Amend the title amendment as follows:

Line 3, after the semicolon insert "extending the contract preference for United States materials to include Mexican and Canadian made materials;"

Line 7, after "3;" insert "16.073;"

The motion prevailed. So the amendment was adopted.

Mr. Stern moved to amend the amendment placed on H. F. No. 874 by the Committee on Governmental Operations, adopted by the Senate March 6, 1980, as follows:

After section 33, insert:

"Sec. 34. Minnesota Statutes 1978, Section 238.08, is amended by adding a subdivision to read:

*Subd. 5. Municipalities may by ordinance or resolution create a joint cable communications commission under section 471.59 to which each member municipality may delegate authority vested in said municipality by statute or charter to prepare, adopt, grant, administer and enforce a cable communications franchise, and establish rates thereunder. The adoption, granting, administration and enforcement of a cable communications franchise, and the establishment of rates thereunder by a joint cable communications commission, pursuant to this subdivision is deemed to comply with procedural requirements of statute or charter for the adoption, granting, administration and enforcement of a franchise, and establishment of rates. The members and governing body of the joint commission shall consist of two representatives appointed by each municipality at least one of whom shall be a member of the council of that municipality, and the other a qualified voter residing within that municipality."*

Renumber the sections in sequence

Amend the title amendment as follows:

Line 8 of the title amendment, after "3;" insert "238.08, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

#### CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The following Senators answered to their names:

Anderson	Gearty	Knutson	Pillsbury	Staples
Ashbach	Gunderson	Luther	Purfeerst	Stern
Bang	Hanson	Menning	Renneke	Stokowski
Barrette	Hughes	Merriam	Rued	Strand
Benedict	Humphrey	Moe	Schaaf	Stumpf
Bernhagen	Jensen	Nelson	Schmitz	Tennessee
Brataas	Johnson	Nichols	Setzepfandt	Ueland, A.
Chmielewski	Keefe, S.	Ogdahl	Sieloff	Vega
Coleman	Kirchner	Olhoft	Sikorski	Willet
Davies	Kleinbaum	Omann	Sillers	
Dunn	Knaak	Penny	Solon	
Engler	Knoll	Perpich	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

#### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 129 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S. F. NO. 129**

A bill for an act relating to reapportionment of the legislature and congressional districts; proposing an amendment to the Minnesota Constitution, Article IV, Sections 2, 3 and 4 to provide for establishment of the boundaries of congressional and legislative districts by a commission, removing the requirement that all senators be elected at the first general election following an apportionment and limiting the power of the legislature to change the number of senators and representatives; implementing the proposed amendment by providing by law for the duties, powers and operation of the commission; and repealing Minnesota Statutes 1978, Sections 2.041 to 2.712 and 2.731 to 2.811.

March 26, 1980

The Honorable Edward J. Gearty  
President of the Senate

The Honorable Fred C. Norton  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 129, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and the bill be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Subdivision 1. An amendment to the Minnesota Constitution is proposed to the people as provided by subdivisions 2 and 3.

Subd. 2. If the amendment is adopted, article IV, sections 2, 3 and 4 will read as follows:

Sec. 2. [APPORTIONMENT OF MEMBERS.] The number of members who compose the senate and house of representatives shall be prescribed by law. ~~The representation in both houses shall be apportioned equally throughout the different sections of the state in proportion to the population thereof. A law changing the number of senators or representatives shall be effective on January 1 of the next year ending in the number one following enactment of the law and shall govern beginning with the first election of all senators and representatives under an apportionment plan that becomes effective after that date.~~

Sec. 3. ~~At its first session after each enumeration of the inhabitants of this state made by the authority of the United States, the legislature shall have the power to prescribe the bounds of congressional and legislative districts. Senators shall be chosen by single districts of convenient contiguous territory. No representative district shall be divided in the formation of a senate district. The senate districts shall be numbered in a regular series. The legislature shall not prescribe the boundaries for the districts of senators and representatives or for the districts of representatives in the congress of the United States.~~

**Sec. 4. [TERMS OF OFFICE OF SENATORS AND REPRESENTATIVES; VACANCIES.]** Representatives shall be chosen for a term of two years, except to fill a vacancy. Senators shall be chosen for a term of four years, except to fill a vacancy and except there shall be an entire new election of all the senators at the first election of representatives after each new legislative apportionment provided for in this article, when an apportionment plan becomes effective under Article XV during the first half of a four year term, senators shall be elected for a term of two years at the first general election after the effective date of the plan. The governor shall call elections to fill vacancies in either house of the legislature.

**Subd. 3.** If the amendment is adopted, a new article will be added to the constitution which will read as follows:

## ARTICLE XV

### REAPPORTIONMENT COMMISSION

**Section 1. [REAPPORTIONMENT COMMISSION.]** *In each year ending in the number one, or when required by court order, a reapportionment commission shall be established to draw the boundaries of legislative and congressional districts.*

*The commission shall consist of nine members who are eligible voters of the state. One member shall be appointed by the speaker of the house and one by the members of the house representing political parties other than the party represented by the speaker. One member shall be appointed by the president of the senate and one by the members of the senate representing political parties other than the party represented by the president. Article IV, section 5 shall not apply to the appointment of members of the reapportionment commission. The term "political party" as used in this section shall have the meaning provided by law.*

*The remaining five members shall be appointed by unanimous agreement of the legislative appointees. The qualifications of these members shall be provided by law.*

*Members of the commission shall be appointed within the time provided by law but not later than March 15 when the commission is established in a year ending in the number one. The supreme court shall fill any vacancy caused by failure to appoint a member within the time required by law.*

**Sec. 2. [APPORTIONMENT STANDARDS.]** *The commission shall draw the boundaries of legislative and congressional districts in accordance with the requirements of this section. There shall be one district for each representative, senator and representative in congress. No state representative district shall be divided in the formation of a senate district.*

*All districts of the same kind shall be as equal in population as practicable. Population shall be the controlling factor in drawing the district boundaries.*

*The districts shall be composed of compact and contiguous territory. To the extent consistent with other standards, the boundaries of the districts shall follow the boundaries of local governmental units and, wherever practicable, follow natural and man-made physical boundaries. No apportionment plan shall be drawn for the purpose of favoring any person or political party. Legislative and congressional districts shall be drawn according to the number of legislators and representatives in congress to be elected at the first election of all senators and representatives following the effective date of the apportionment plan.*

**Sec. 3. [APPORTIONMENT PLAN.]** *The commission shall adopt an apportionment plan within the time provided by law but not later than December 1 when the commission is established in a year ending in the number one. The plan shall set forth all of the new legislative and congressional districts. An apportionment plan is adopted by the commission when it is approved by a vote of at least six of its members.*

**Sec. 4. [EFFECTIVE DATE; ELECTIONS GOVERNED BY NEW DISTRICTS.]** *An apportionment plan is effective when it is adopted and all judicial review under section 5 or by any other court is completed. The districts set forth in an apportionment plan shall govern legislative and congressional elections beginning on the date of the first general election after the plan is effective. Except as provided in article 4, section 4, those representatives, senators and representatives in congress in office on the effective date of an apportionment plan shall continue to represent the districts from which they were elected for the remainder of the terms for which they were elected.*

**Sec. 5. [JUDICIAL REVIEW; COURT DRAWN PLAN.]** *The supreme court shall exercise original jurisdiction in any matter relating to apportionment in the manner provided by law. If the commission fails to adopt an apportionment plan within the time provided by law the supreme court shall adopt its own plan in accordance with the requirements of section 2 of this article. If an apportionment plan for legislative districts is adopted by the supreme court later than April 1 of a general election year, the time for establishing residency for legislative candidates as set forth in article IV, section 6, is extended to either 45 days after the effective date of the plan or to the last day provided by law for filing for office at the general election, whichever is earlier.*

**Sec. 6. [IMPLEMENTATION.]** *The legislature may enact the laws necessary to implement this article provided that reapportionment shall be governed by the law in effect on January 1 of the year in which a reapportionment commission is established.*

**Sec. 2.** The amendment shall be submitted to the people at the 1980 general election. The question proposed shall be:

“Shall the Minnesota Constitution be amended to transfer from the legislature to a bipartisan commission the power to establish the boundaries of legislative and congressional districts, and to

require an election of senators for a two year term when new districts are established in the middle of their regular terms?

Yes.....

No.....”

**Sec. 3. [2A.01] [CITATION.] Sections 3 to 14 may be cited as the “Reapportionment Implementation Act”.**

**Sec. 4. [2A.02] [APPOINTMENT.] Subdivision 1. For the purpose of Article XV, Section 1 of the Minnesota Constitution “political party” means the political party or political principle by which a legislator was designated on the general election ballot when the legislator was last elected.**

**Subd. 2. Not more than five members of the commission shall be residents of either the metropolitan area as defined in section 473.121, subdivision 2 or the area consisting of the remainder of the state.**

**Subd. 3. Except for the members appointed pursuant to subdivision 5, no individual shall be appointed or shall serve as a member of the commission who:**

**(a) Holds or has held within two years prior to appointment an elected or appointed office in the executive, judicial or legislative branch or in an independent agency of the federal or state government;**

**(b) Is or has been within two years prior to appointment an officer of a political party, except a precinct officer, or an officer of a campaign committee of a candidate for state or federal office;**

**(c) Is an employee of the legislature or congress;**

**(d) Is a member of the immediate family of a legislator or representative in congress. “Member of the immediate family” means father, mother, son, daughter, brother, sister, spouse, ex-spouse or member of the same household; or,**

**(e) Is or has been within two years prior to appointment a lobbyist as that term is defined by section 10A.01, subdivision 11.**

**Subd. 4. Except for members appointed pursuant to subdivision 5, no individual appointed as a member of the commission shall remain a member if he becomes a candidate for any elective state or federal office.**

**Subd. 5. Not later than January 15 of each year ending in the number one the secretary of state shall request the legislators who are authorized by the constitution to appoint members to serve on the commission to certify the names of their appointees. The representatives representing political parties other than the party represented by the speaker of the house and the senators representing political parties other than the party represented by the president of the senate shall convene during the ten days following the request of the secretary of state, at a time and place directed by the secretary, to appoint members of the commission. The secretary of state shall preside at these conventions. The**

*names of all legislative appointees shall be certified to the secretary of state not later than the following February 1. If a certification is not received within the required time, the secretary of state shall notify the chief justice of the supreme court that there is a vacancy on the commission. Within ten days after notification the supreme court shall fill the vacancy and certify the name of the appointee to the secretary of state.*

*Subd. 6. Not later than March 15 the commission members whose appointments have been certified pursuant to subdivision 5 shall appoint the five remaining members by unanimous agreement and certify the names to the secretary of state. When a certificate is not received within the required time, the secretary of state shall notify the chief justice that there is a vacancy. Within ten days after the notification the supreme court shall appoint the necessary number of members and certify their names to the secretary of state.*

*Subd. 7. Vacancies other than those resulting from a failure to appoint a member within the time provided by law shall be filled by the appointing authority that made the original appointment within five days after the vacancy occurs. If the vacancy is not filled within five days the supreme court shall fill the vacancy.*

**Sec. 5. [2A.03] [COMMENCEMENT OF DUTIES; MEETINGS.]** *Subdivision 1. The secretary of state shall select a time and place of the first meeting of the commission, which shall not be later than April 1 of the year ending in one, and shall notify the commission members of the time and place selected. Before beginning to exercise their official duties the members of the commission shall take an oath in the form required for other state officers. The secretary of state shall preside at the meeting until the election of a permanent presiding officer. The commission shall elect a presiding officer and other officers as it shall find necessary.*

*Subd. 2. The commission, after notice and opportunity for public comment, may adopt and publish procedures necessary to carry out its duties. Chapter 15 does not apply to these procedures.*

*Subd. 3. The commission shall meet upon the call of either the presiding officer or a majority of the members of the commission. The proceedings of the commission are open to the public. The commission shall give public notice of its proceedings and shall keep minutes and audio recordings of those proceedings. All materials submitted to or developed by the commission, together with the minutes and audio record of its proceedings shall be preserved and made available for public inspection and copying. The commission may administer oaths to individuals appearing before it.*

*Subd. 4. A majority of the members of the commission constitutes a quorum to conduct business. At any meeting of the commission at which a quorum is present, a majority of those*

*present may compel the attendance of absent members. The attendance of absent members may be compelled in the manner that either the senate or house of representatives provide for the members.*

**Sec. 6. [2A.04] [REMOVAL OF COMMISSION MEMBER.]** *Any member of the commission may be removed from the commission by the supreme court upon petition filed by any eligible voter. The member may be removed, after a hearing, upon a finding by the supreme court, by a preponderance of the evidence, that a member of the commission during his membership has been convicted of a gross misdemeanor or felony, or that a member is unqualified to serve under the provisions of section 4, subdivision 3 or 4, or that a member is physically or mentally incapable of serving, or is unwilling to serve. It is prima facie evidence that a member is unwilling to serve if he fails to attend three successive meetings of the commission or fails to attend a total of six meetings of the commission. Upon removal, the position shall be filled in the manner provided for filling vacancies. An individual who is removed from the commission pursuant to this section may not be reappointed to the commission.*

**Sec. 7. [2A.05] [ADMINISTRATIVE SUPPORT.]** *The presiding officer of the commission shall supervise the staff of the commission. The secretary of state, commissioner of administration, attorney general and revisor of statutes shall make available the personnel, facilities, technical services and other assistance requested by the commission. The commission may employ or contract for the services of other staff personnel.*

**Sec. 8. [2A.06] [APPORTIONMENT PLAN.]** *Subdivision 1. An apportionment plan adopted by the commission shall include:*

*(a) A written description of each district drawn by the commission;*

*(b) A map of each district showing the name and location of each public road and each local governmental unit boundary in the district in a scale that allows precise location of the district boundaries;*

*(c) A map of the state showing all of the districts drawn by the commission;*

*(d) A statement of the deviation in population of each district from the average population of all districts of that kind;*

*(e) A justification of any population deviation described in clause (d) which exceeds one-half of one percent for a congressional district or five percent for legislative districts;*

*(f) An explanation of the standards used by the commission to draw the districts; and*

*(g) Any other information which the commission deems relevant to the plan.*

*Subd. 2. An apportionment plan shall be adopted not later than*

September 1 of the year in which the commission is established. When an apportionment plan adopted by the commission is remanded by the supreme court or by a federal court, the commission shall adopt an amended plan consistent with the finding of the court not later than 30 days after the original plan is remanded.

*Subd. 3. The commission shall file the original or any amended plan with the secretary of state within five days of its adoption.*

*Subd. 4. Any commission members in the minority may prepare a minority report which shall be published with the plan adopted by the commission.*

**Sec. 9. [2A.07] [COURT ORDER OR CHANGE IN CONGRESSIONAL REPRESENTATION.]** *Subdivision 1. When a commission is not otherwise constituted and either the number of the state's representatives in congress is changed by federal law or a federal court order requires either adoption or amendment of a plan, a commission shall be established and shall draw the congressional district boundaries or amend the plan.*

*Subd. 2. The supreme court shall set a timetable for establishing a reapportionment commission and drawing the boundaries or amending the plan. The timetable shall be consistent with the time provided for adoption of an apportionment plan pursuant to section 8, subdivision 2, as far as practicable.*

**Sec. 10. [2A.08] [COMPENSATION.]** *Members of the commission who are not paid a salary by the state shall be compensated at the rate provided by section 15.059, subdivision 3, for members of advisory councils and committees. Members shall be compensated for their actual and necessary expenses incurred in carrying out their duties on the commission in the same manner and amount as other state employees.*

**Sec. 11. [2A.09] [DISSOLUTION.]** *The commission shall conclude its business and dissolve when:*

*(a) 30 days have passed from the adoption of an original, unamended apportionment plan without the filing of any petition for review by the supreme court and all legal actions concerning the plan which are known at that time have been decided; or*

*(b) The commission has adopted an amended apportionment plan after remand by a court and has completed its duties under section 12; or*

*(c) The commission has failed to adopt a plan or amended plan within the time required by law.*

*The conclusion of business shall include preparation of the official record of the commission and a financial statement disclosing all expenditures made by the commission. The official record shall contain all information developed by the commission pursuant to carrying out its duties including records of public hearings, data collected, minutes and audio recordings of hearings*

*and meetings, and other information of a similar nature. The official record shall be submitted to the secretary of state who shall provide for its preservation.*

**Sec. 12. [2A.10] [PUBLICATION OF REPORT.] Subdivision 1.** *Promptly after the filing of an apportionment plan the commission shall:*

*(a) Prepare and transmit a copy of the plan to each county auditor;*

*(b) Prepare and transmit a summary of the plan to each newspaper of general circulation and each radio and television station in the state; and*

*(c) Prepare sufficient copies of the plan and the summary for inspection, copying and purchase by the public.*

**Subd. 2.** *The summary shall contain:*

*(a) A map showing all the new districts in the state;*

*(b) Separate maps showing the districts in the principal area served by the newspaper, radio or television station;*

*(c) A statement of the population of each district;*

*(d) A statement of the percentage variation of each district from the average population of other districts of the same kind; and*

*(e) An indication of where a copy of the final report of the commission may be examined or purchased and its purchase price.*

**Sec. 13. [2A.11] [JUDICIAL REVIEW.] Subdivision 1.** *An action to review an original or amended apportionment plan adopted by the reapportionment commission shall be commenced by petition to the supreme court within 30 days of the date the plan is filed with the secretary of state. The petition shall set forth the facts and the law on the basis of which petitioner believes the plan does not comply with the provisions of the United States Constitution, the Minnesota Constitution or other provisions of law. A copy of the petition shall be served upon the commission and upon the attorney general. The court shall hold hearings upon the petition and shall render its opinion on an original unamended plan of the commission within 60 days of the date that the petition is filed. The court shall render its opinion on an amended plan of the commission within 30 days of the date a petition is filed claiming the amended plan does not comply with constitutional or legal requirements.*

**Subd. 2.** *If the court determines that an original, unamended plan of the reapportionment commission does not comply with constitutional or legal requirements, the court shall specify the reasons for its finding and immediately remand the plan to the commission for amendment. If the court retains jurisdiction of an action to review an apportionment plan when the plan is remanded to the commission, the court shall render its opinion on*

*any amended plan within 30 days after the date the amended plan is filed with the secretary of state.*

*Subd. 3. If a federal court determines that an original unamended plan of the reapportionment commission does not comply with constitutional or legal requirements, and the court permits the commission to redraw the boundaries with consideration to the court's findings and conclusions, the plan shall be remanded to the commission for amendment.*

*Subd. 4. If the commission fails to adopt an apportionment plan or an amended plan within the time provided by law, or an amended plan adopted by the commission is found invalid upon review by the supreme court or by any federal court, the supreme court shall adopt its own reapportionment plan in accordance with the requirements of Article XV, Section 2, of the Minnesota Constitution. The court shall hold at least one public hearing before adopting or amending a plan. An apportionment plan adopted or amended by the supreme court shall be in the form prescribed for a plan adopted by the commission. The court shall adopt the plan or amended plan and file it with the secretary of state not later than 60 days from the date on which the commission was required to adopt its plan or the date on which the plan was declared invalid. The secretary of state shall perform the duties provided in section 12 with respect to an apportionment plan adopted by the court.*

*Sec. 14. [2A.12] [DUTIES OF ATTORNEY GENERAL.] The attorney general shall represent the commission and shall defend the apportionment plan adopted by the commission in any action to review the plan in the supreme court. He shall represent the state and shall defend the apportionment plan adopted pursuant to Article XV of the Minnesota Constitution and sections 3 to 14 in any action to review the plan in a federal court. In any action in federal court, the attorney general shall request the court to expedite the proceedings.*

*Sec. 15. [APPROPRIATION.] Subdivision 1. The sum of \$100,000 is appropriated from the general fund to the reapportionment commission for the purpose of implementing sections 3 to 14. The sum is available March 1, 1981, and until expended.*

*Subd. 2. The sum of \$150,000 is appropriated from the general fund to the legislative coordinating commission for the development by March 1, 1981, of data processing support for reapportionment. The coordinating commission may obtain bids and proposals from and may enter contracts and agreements with private contractors and state agencies or departments for all or portions of the data processing support in a level that the coordinating commission finds appropriate. For the purpose of this paragraph, "data processing support" includes the purchase or use of computer hardware, software, professional services, including system design consultation, and data entry services. This appropriation is available the day after final enactment and until March 1, 1981. Any amount that remains unobligated on March 1, 1981,*

is appropriated to the reapportionment commission for implementation of sections 3 to 14, and is available until expended.

Sec. 16. [REPEALER.] *Minnesota Statutes 1978, Sections 2.041 to 2.712 are repealed on the effective date of this section. Minnesota Statutes 1978, Sections 2.731 to 2.811 are repealed on the date of the general election for representatives in congress following the effective date of an apportionment plan pursuant to article XV of the constitution.*

Sec. 17. [EFFECTIVE DATE.] *Sections 3 to 14 and 16 are effective on the date the constitutional amendment in section 1 is ratified as provided by the constitution.*

Sec. 18. [BALLOT QUESTIONS.] *Notwithstanding any law or rule to the contrary, the ballot question in section 2 shall immediately precede any other ballot questions placed on the ballot and submitted to the people at the 1980 general election. This section is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to reapportionment of the legislature and congressional districts; proposing an amendment to the Minnesota Constitution, changing Article IV, Sections 2, 3 and 4, and adding a new article; to provide 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 and to require an election of senators for a two year term when new districts are established in the middle of a four year term; implementing 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; and repealing Minnesota Statutes 1978, Sections 2.041 to 2.712 and 2.731 to 2.811."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) William P. Luther, David D. Schaaf, Gerry Sikorski

House Conferees: (Signed) Michael R. Sieben, Todd H. Otis, Bill Peterson, Douglas R. Ewald

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S. F. No. 129 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Ashbach moved that the recommendations and Conference Committee Report on S. F. No. 129 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Ashbach.

The roll was called, and there were yeas 43 and nays 23, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knutson	Peterson	Stumpf
Barrette	Hughes	McCutcheon	Pillsbury	Tennessen
Bernhagen	Jensen	Menning	Purfeerst	Ueland, A.
Brataas	Johnson	Merriam	Renneke	Ulland, J.
Chmielewski	Keefe, J.	Moe	Rued	Vega
Coleman	Keefe, S.	Ogdahl	Schaaf	Wegener
Davies	Kirchner	Olson	Sieloff	Willet
Dunn	Kleinbaum	Omann	Sillers	
Engler	Knaak	Perpich	Solon	

Those who voted in the negative were:

Anderson	Gunderson	Luther	Schmitz	Stern
Bang	Hanson	Nelson	Setzepfandt	Stokowski
Benedict	Humphrey	Nichols	Sikorski	Strand
Dieterich	Knoll	Olhoff	Spear	
Gearty	Laufenburger	Penny	Staples	

The motion prevailed. So the recommendations and Conference Committee Report on S. F. No. 129 were rejected.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Moe moved that H. F. No. 2476 be taken from the table. The motion prevailed.

H. F. No. 2476: A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; appropriating money; amending Minnesota Statutes 1978, Sections 3A.03, Subdivision 2; 3A.04, Subdivisions 3 and 4; 15.0597, Subdivisions 3, 4, 5, 6 and 7; 15.50, Subdivision 1; 16.854, Subdivision 1; 16A.131, by adding a subdivision; 16A.67, Subdivision 1; 16A.721; 43.005, by adding a subdivision; 43.05, Subdivision 2; 43.062, Subdivisions 1, 2 and 3; 43.065; 43.067, Subdivision 2; 43.068; 43.323, Subdivisions 1 and 2; 43.35; 62D, by adding a subdivision; 82.34; 90.195; 94.10, Subdivision 1; 94.16; 121.90; 121.902, Subdivision 1; 121.906, Subdivision 2; 121.908; 121.912, Subdivision 2; 121.914, Subdivision 1; 136.81, Subdivision 1; 145.913, Subdivision 3; 214.06, Subdivision 1; 216.16; 216A.01; 216A.03, Subdivision 3, and by adding a subdivision; 216A.04, Subdivisions 1 and 3, and by adding a subdivision; 216A.05, Subdivisions 4 and 5; 216A.07; 216B.17, Subdivision 1; 216B.19; 216B.54; 216B.62, Subdivisions 2 and 3; 216B.64; 237.02; 237.12; 237.295, Subdivisions 1 and 2; 246.014; 352.01, Subdivision 2B; 352.04, Subdivision 5; 352.73, Subdivision 3; 352B.25; 352C.04, Subdivision 3; 352C.09, Subdivision 2; 353.83; 354.55, Subdivision 5; 355.46, Subdivision 3; 355.50; 403.11, Subdivision 3; 473.408, Subdivision 3; 490.123, Subdivision 1; and Chapters 16, by adding sections; 16A, by adding sections; 97, by adding a section; 121, by adding sections; 216A, by adding a section; 246, by adding a section; 253A, by adding a section; 256, by adding a section; 259, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 3.3005,

Subdivision 4; 15A.083, Subdivision 4; 16A.126; 174.28, subdivision 2; 43.09, Subdivision 2a; 43.24; 82.81, Subdivision 1; 121.917, Subdivision 4; 354A.12, Subdivision 2; 422A.101, Subdivision 3; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5; 301, Section 3 by adding a subdivision; repealing Minnesota Statutes 1978, Sections 3A.11, Subdivision 3; 43.03; 43.06; 121.92, Subdivision 1; 216B.62, Subdivision 1; 352.73, Subdivision 4; 354.43, Subdivision 2; 490.025, Subdivision 8; Minnesota Statutes, 1979 Supplement, Sections 16.93; 16.965; 121.92, Subdivision 2; and Laws 1979, Chapter 217, Section 11.

Mr. Perpich moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 9, before line 24, insert:

“(c) Special Grants for Home Based Services for Elderly and Adult Physically Impaired Persons	2,000,000
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This appropriation shall be spent in accordance with section 145.912, subdivision 7, and chapter 145, as amended by this act. No more than \$100,000 of this appropriation may be used by the commissioner of health for administration of these special grants.”

Amend the summary by fund accordingly

Page 28, after line 13, insert:

“Sec. . . . Minnesota Statutes 1978, Section 145.912, Subdivision 7, is amended to read:

Subd. 7. “Home health services” means home nursing, physical therapy, nutrition, occupational therapy, homemakers, and home health aide services, which are provided under medical supervision. *In addition, it includes a range of pre-institutional or post-institutional home and community based health and health-related supportive social service programs designed to assist elderly and adult physically impaired persons to maintain an optimal level of functioning and to remain capable of residing in a family or home community.*

Sec. 2. Minnesota Statutes 1978, Chapter 145, is amended by adding a section to read:

[145.923] [SPECIAL GRANTS FOR HOME BASED SERVICES FOR ELDERLY AND ADULT PHYSICALLY IMPAIRED PERSONS.] *Subdivision 1. The commissioner of health may make special grants to local boards of health and to the county board of any county that has not organized a local board of health to provide pre-institutional or post-institutional community based health and health-related supportive social service*

*programs designed to assist elderly and adult physically impaired persons in maintaining an optimal level of functioning and in remaining capable of residing in a family setting or home community. Applicants shall submit for approval an application and budget for the use of the funds in the form specified by the commissioner of health.*

*As used in this section, "elderly" means persons aged 60 or over.*

*Subd. 2. The range of services and programs established by these special grants shall be designed to:*

*(a) Support families and individuals to avoid premature or inappropriate admission to an institutional care setting;*

*(b) Provide respite for families and responsible caretakers from continuous care and supervision of elderly and adult physically impaired persons, and to assist caretakers in providing appropriate services;*

*(c) Maintain or restore elderly and adult physically impaired persons to optimal functional potential and to retard physical and emotional deterioration;*

*(d) Provide for support and follow up services to persons residing in their own or a family member's home; and*

*(e) Facilitate appropriate release of elderly and adult physically impaired persons from acute and long term care facilities to family care or to other community based programs.*

*Subd. 3. Local boards of health and county boards shall not use special grants to replace or substitute for services or programs otherwise funded from other local, state, or federal sources, but shall use special grants only to expand health and health-related supportive social service programs existing on the effective date of this section, or to add programs. This subdivision shall expire on July 1, 1981.*

*Subd. 4. The commissioner of health shall report and make recommendations to the legislature biennially on January 15 of odd numbered years concerning the implementation of these special grants."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after "97.432;" insert "145.912, Subdivision 7;"

Page 1, line 15, delete "and"

Page 1, line 15, after the second semicolon insert "and 145, by adding a section;"

The motion prevailed. So the amendment was adopted.

Mr. Stern moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 29, after line 26, insert:

"Sec. . . . Minnesota Statutes 1978, Section 174.51, Subdivision 1, is amended to read:

174.51 [MINNESOTA STATE TRANSPORTATION BONDS.] Subdivision 1. For the purpose of providing money appropriated to agencies or subdivisions of the state from the Minnesota state transportation fund for the acquisition and betterment of public land, buildings, and capital improvements needed for the development of the state transportation system, *including the construction of railroad bypass trackage and temporary trestles as needed to enable replacement of bridges carrying railroad traffic within the city of St. Louis Park*, when such appropriations or loans are authorized by Laws 1976, Chapter 339, Section 3 or another law and funds therefor are requested by the governor, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith and credit and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for that purpose. Any such law, together with this section, constitutes complete authority for the issue, and such bonds shall not be subject to restrictions or limitations contained in any other law."

Page 34, line 3, delete "47 of this act" and insert "174.03"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, before "214.06" insert "174.51, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S. moved to amend H. F. No. 2476 as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 9, after line 42, insert:

"(c) THC Therapeutic Research Act           \$100,000

Not more than \$10,000 of this appropriation may be used by the commissioner for administrative expenses. This appropriation is available from the day after final enactment of this act until June 30, 1981."

Reletter the clauses in sequence

Page 41, after line 18, insert:

"Sec. .... [THC THERAPEUTIC RESEARCH ACT.] *Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds that scientific literature indicates promise for delta-9-tetrahydrocannabinol (THC), the active component of marijuana, in alleviating certain side effects of cancer chemotherapy under strictly controlled medical circumstances.*

*The legislature also finds that further research and strictly controlled experimentation regarding the therapeutic use of THC is necessary and desirable. The intent of this section is to establish an extensive research program to investigate and report on the therapeutic effects of THC under strictly controlled circumstances in compliance with all federal laws and regulations promulgated by the federal food and drug administration, the national institute on drug abuse and the drug enforcement administration. The intent of the legislature is to allow this research program the greatest possible access to qualified cancer patients residing in Minnesota who meet protocol requirements. The establishment of this research program is not intended in any manner whatsoever to condone or promote the illicit recreational use of marijuana.*

*Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms shall have the meanings given.*

(a) "Commissioner" means the commissioner of health.

(b) "Marijuana" means marijuana as defined in Minnesota Statutes, Section 152.01, Subdivision 9, and delta-9-tetrahydrocannabinol (THC), tetrahydrocannabinols or a chemical derivative of tetrahydrocannabinols, and all species of the genus *Cannabis*.

(c) "Principal investigator" means the individual responsible for the medical and scientific aspects of the research, development of protocol, and contacting and qualifying the clinical investigators in the state.

(d) "Clinical investigators" means those individuals who conduct the clinical trials.

(e) "Sponsor" means that individual or organization who, acting on behalf of the state, has the total responsibility for the state program.

*Subd. 3. [RESEARCH GRANT.] The commissioner of health shall grant funds to the principal investigator selected by the commissioner pursuant to subdivision 4 for the purpose of conducting a research program under a protocol approved by the FDA regarding the therapeutic use of oral THC and other dosage forms, if available, according to the guidelines and requirements of the federal food and drug administration, the drug enforcement administration and the national institute on drug abuse. The commissioner shall ensure that the research principal investigator complies with the requirements of subdivision 5. The commissioner may designate the principal investigator as the sponsor.*

*The commissioner shall report to the legislature on January 1 of each odd-numbered year on the number of oncologists and patients involved in the program and the results available at that date regarding the effects of therapeutic use of THC on patients involved in the program. The commissioner shall also report on the current status of THC under the federal Food, Drug and Cosmetic Act and the federal Controlled Substances Act.*

**Subd. 4. [PRINCIPAL INVESTIGATOR.]** *Within three months of the effective date of this section, the commissioner shall, in consultation with a representative chosen by the state board of pharmacy and a representative chosen by the state board of medical examiners, select a person or research organization to be the principal investigator of the research program.*

**Subd. 5. [DUTIES.]** *The principal investigator shall:*

*(1) Apply to the Food and Drug Administration for a notice of "Claimed Investigational Exemption for a New Drug (IND)" pursuant to the Federal Food, Drug and Cosmetic Act, 21 U.S.C., Section 301, et seq., and shall comply with all applicable laws and regulations of the federal food and drug administration, the drug enforcement administration, and the national institute on drug abuse in establishing the program;*

*(2) Notify every oncologist in the state of the program, explain the purposes and requirements of the program to them, provide on request each of them with a copy of the approved protocol which shall include summaries of current papers in medical journals reporting on research concerning the safety, efficacy and appropriate use of THC in alleviating the nausea and emetic effects of cancer chemotherapy, and provide on request each of them with a bibliography of other articles published in medical journals;*

*(3) Allow each oncologist (clinical investigator) in the state who meets or agrees to meet all applicable federal requirements for investigational new drug research and who so requests to be included in the research program as a clinical investigator to conduct the clinical trials;*

*(4) Provide explanatory information and assistance to each clinical investigator in understanding the nature of therapeutic use of THC within program requirements, including the Informed Consent Document contained in the protocol, informing and counseling patients involved in the program regarding the appropriate use and the effects of therapeutic use of THC;*

*(5) Apply to contract with the national institute on drug abuse for receipt of dosage forms of THC, fully characterized as to contents and delivery to the human system, pursuant to regulations promulgated by the national institute on drug abuse, and the federal food and drug administration. The principal investigator shall ensure delivery of the THC dosages to clinical investigators as needed for participation in the program;*

*(6) Conduct the research program in compliance with federal laws and regulations promulgated by the federal food and drug*

*administration, the drug enforcement administration, the national institute on drug abuse, and the purposes and provisions of this section;*

*(7) Submit periodic reports as determined by the commissioner on the numbers of oncologists and patients involved in the program and the results of the program;*

*(8) Submit reports on intermediate or final research results, as appropriate, to the major scientific journals in the United States; and*

*(9) Otherwise comply with the provisions of this section.*

**Subd. 6. [EXEMPTION FROM CRIMINAL SANCTIONS.]**  
*For the purposes of this section, the following are not violations listed in sections 152.09 or 152.15:*

*(1) Use or possession of THC, or both, by a patient in the research program;*

*(2) Possession, prescribing use of, administering, or dispensing THC, or any combination of these actions, by the principal investigator or by any clinical investigator;*

*(3) Possession or distribution of THC, or both, by a pharmacy registered to handle Schedule I substances which stores THC on behalf of the principal investigator or a clinical investigator.*

*THC obtained and distributed pursuant to this section is not subject to forfeiture under Minnesota Statutes, Section 152.19.*

*For the purposes of this section, THC is removed from Schedule I contained in Minnesota Statutes, Section 152.02, Subdivision 2, and inserted in Schedule II contained in Minnesota Statutes, Section 152.02, Subdivision 3.*

**Subd. 7. [CITATION.]** *This section may be cited as the "THC Therapeutic Research Act."*

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Gunderson moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 29, after line 26, insert:

"Sec. 48. Minnesota Statutes 1978, Section 197.75, Subdivision 1, is amended to read:

**197.75 [EXPENDITURES, LIMITATION.]** Subdivision 1. The commissioner of veterans affairs shall spend a biennial appropriation for tuition of soldiers, and for tuition, fees, board, room, books and supplies of the children of soldiers who have died as a result of their service in the military or naval forces of the United States as determined by the United States Veterans

Administration or other instrumentality of the United States, in the University of Minnesota, a state university, a community college, or any other university of higher learning within the state accredited by the North Central Association of Colleges and Secondary Schools, a law college approved by the supreme court, a nursing school approved by the state nurses examining board, or in a trade school in the state which may be approved by the state department of education, or in a theological seminary, for any course which such soldier or child may elect. Not more than ~~\$250~~ \$350 shall be expended for the benefit of any individual soldier, and not more than ~~\$250~~ \$350 in any calendar year shall be expended for the benefit of any child under this section, and that need therefor shall be established and determined by the commissioner of veterans affairs. No child of any soldier shall make application for the benefits provided herein unless such child shall have resided in Minnesota for at least two years immediately prior to the date of said application. Children of soldiers eligible for benefits hereunder shall be admitted to state institutions of university grade free of tuition. Payments of tuition as provided for herein shall be made by the commissioner of veterans affairs directly to the institution in which the course of instruction is given upon such conditions as shall be imposed by the commissioner of veterans affairs.

*Sec. 49. [APPROPRIATION.] The sum of \$15,000 is appropriated from the general fund to the commissioner of veterans affairs for the purpose of section 48."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "conditions;" insert "increasing the maximum amount of certain educational grants to certain persons;"

Page 1, line 11, after the second semicolon, insert "197.75, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

Mr. Olson moved to amend H. F. No. 2476, as amended pursuant to Rule 49, adopted by the Senate March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 5, after line 27, insert:

"(c) The unexpended balance of money appropriated by Laws 1975, Chapter 204, Section 55, and reappropriated by Laws 1977, Chapter 455, Section 28, for construction and repair of dams and channel excavation to manage water levels on Heron Lake in Jackson County is hereby reappropriated and shall remain avail-

able until expended for a watershed management study of Heron Lake in Jackson County, to be conducted by the Middle Des Moines Watershed District and the DNR. Of this money, \$32,500 may be expended for salaries, supplies, and expenses for one additional unclassified position in the department of natural resources.

The money reappropriated above may not be expended until local funds in the amount of \$25,000 are made available for the watershed management study.

The remainder of the appropriation is cancelled."

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 20, after line 5, insert:

"Sec. . . . . Minnesota Statutes 1978, Section 15.50, Subdivision 1, is amended to read:

15.50 [CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD.] Subdivision 1. (a) The legislature finds that the purposes of the board are to (1) preserve *and enhance* the dignity, beauty and architectural integrity of the capitol, the buildings immediately adjacent to it and , the capitol grounds , *and the capitol area*; (2) protect, enhance, and increase the open spaces within the capitol area when deemed necessary and desirable for the improvement of the public enjoyment thereof; (3) develop proper approaches to the capitol area for pedestrian movement, the highway system, and mass transit system so that the area achieves its maximum importance and accessibility; and (4) establish a flexible framework for growth of the capitol buildings which will be in keeping with the spirit of the original design.

(b) A capitol area architectural and planning board, herein referred to as the board, consisting of seven members is hereby created. The lieutenant governor shall be a member of the board. Three members shall be appointed by the governor by and with the advice and consent of the senate; three members shall be appointed by the mayor of the city of Saint Paul, with the advice and consent of the city council. Each person appointed to the board shall qualify by taking the oath of office. Effective following the end of terms of members expiring June 30, 1975, the number of members to be appointed by the governor shall increase to four and the number of members to be appointed by the mayor of the city of Saint Paul shall decrease to ~~two~~ *three, one of whom*

*shall be a resident of the district seven planning council area containing the capitol area. The board shall consist of 12 members. In addition to the members already specified in this subdivision, the speaker of the house shall appoint two members of the house of representatives and the president of the senate shall appoint two senators to be members of the board.*

(c) The lieutenant governor is the chairman of the board. The attorney general is the legal advisor to the board. The board may elect a vice-chairman who may preside at meetings in the absence of the lieutenant governor and such other officers as it may deem necessary to carry out its duties.

(d) The board shall select an executive secretary to serve the board. It may employ such other officers and employees as it may deem necessary all of whom shall be in the classified service of the state civil service. The board may contract for professional and other similar service on such terms as it may deem desirable.

Sec. . . . . Minnesota Statutes 1978, Section 15.50, Subdivision 2, is amended to read:

Subd. 2. (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, herein called the area which shall initially consist of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street to the north line of the right-of-way of Interstate Highway 94, thence easterly along the said north line to the centerline of Cedar Avenue, thence southeasterly along the centerline of Cedar Avenue to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. Pursuant to the comprehensive plan, or any portion thereof, the board may regulate, by means of zoning regulations adopted pursuant to the administrative procedures procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. *To protect and enhance the dignity, beauty and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty and architectural integrity of the area. No person shall undertake these construction activities as defined in the board's rules in the capitol area unless he has*

*first submitted construction plans to the board, obtained a zoning permit from the board and received a written certification from the board specifying that he has complied with all design review procedures and standards. The Violation of such the zoning regulations shall be is a misdemeanor. The board may, at its option, proceed to abate any such violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.*

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. He shall make studies and report the results to the board when they request him to do so for their planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall be built or altered on any public lands within the area unless the plans for the same conforms to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas and open spaces; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall be made to public lands or buildings in the area save with the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, which may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such competition shall be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota and the board may award one or more premiums in each such competition and may pay such costs and fees as may be required for the conduct thereof. At the option of the board, plans for projects estimated to cost less than ~~\$500,000~~ \$1,000,000 may be approved without competition provided such plans have been considered by the ~~architectural~~ advisory committee described in clause (f). Plans for projects estimated to cost less than \$200,000

\$400,000 and for construction of streets need not be considered by the architectural advisory committee if in conformity with the comprehensive plan.

(f) The board shall not adopt any plan under clause (e) hereof unless it shall first receive receives the comments and criticism of *a an advisory committee of three architects persons, each of whom is either an architect or a planner*, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of *such the committee* shall not be contestants under clause (e) hereof. *Such The* comments and criticism shall be a matter of public information. *Such The* committee shall advise the board on all architectural and planning matters. For that purpose:

(1) *Such The* committee shall be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the same are developed or in the process of preparation whether by the commissioner of administration, the state planning director, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area. A copy of any such data prepared by any public employee or agency shall be filed with the board promptly upon completion;

(2) The board may employ such stenographic or technical help as may be reasonable to assist *such the committee* to perform its duties;

(3) When so directed by the board; *such, the committee* may serve as, and any member or members thereof may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee *and*

(4) *The city of St. Paul shall advise the board.*

(g) The comprehensive plan for the area shall be developed and maintained in close cooperation with the state planning agency and the planning department and the council for the city of Saint Paul and the board of the arts, and no such plan or amendment thereof shall be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, the board shall consult with the director of the Minnesota state historical society and receive his advice regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be binding upon the commissioner of administration. The provisions of sections 15.0411 to 15.0426 shall not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for such a *the* program.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase or eminent domain proceedings any real property situated in the area described in this section and it shall also have the power to acquire an interest less than a fee simple interest in the property, if it finds that it is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt regulations and may reenact the regulations adopted by its predecessor under Laws 1945, Chapter 315, and acts amendatory thereof.

(l) The board shall meet at the call of the chairman and at such other times as it may prescribe.

(m) The commissioner of administration is ~~authorized to and~~ shall assign quarters in the state veterans service building to (1) the department of veterans affairs of which such part as the commissioner of administration and commissioner of veterans affairs may mutually determine shall be on the first floor above the ground and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available to such other state departments and agencies as he may deem desirable.

Sec. . . . Minnesota Statutes 1978, Section 16.02, Subdivision 10, is amended to read:

Subd. 10. To rent land and other premises when necessary for state purposes. ~~No such land or premises shall be rented for a term exceeding two years at a time; except that, with the approval of the legislative advisory commission,~~ The commissioner may lease land or premises for a term not exceeding five years, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use; provided further that the rental of non-state owned land and buildings, or substantial portions thereof, by the commissioner within the capitol area as defined in section 15.50 shall not take place unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for a term not exceeding five years ~~without the approval of the legislative advisory commission,~~ such leases for terms over two years being subject to cancellation upon 30 days

written notice by the state for any reason except rental of other land or premises for the same use."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "7;" insert "15.50, Subdivisions 1 and 2; 16.02, Subdivision 10;"

The motion prevailed. So the amendment was adopted.

Mr. Bang moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 32, after line 29, insert:

"Sec. 52. Minnesota Statutes 1978, Chapter 326, is amended by adding a section to read:

[326.601] [ALTERNATIVE STATE BONDING AND INSURANCE REGULATION.] *Subdivision 1. [BONDS.] An applicant for a water conditioning contractor or installer license or renewal thereof who is required by any political subdivision to give a bond to obtain or maintain the license, may comply with any political subdivision bonding requirement by giving a bond to the state in the total penal sum of \$3,000 conditioned upon the faithful and lawful performance of all water conditioning contracting or installing work done by him within the state. The bond shall be for the benefit of persons suffering injuries or damages due to the work. The bond shall be filed with the commissioner of health and shall be written by a corporate surety licensed to do business in this state. No applicant for a water conditioning contractor or installer license who maintains the bond under this subdivision shall be otherwise required to meet the bond requirements of any political subdivision.*

*Subd. 2. [INSURANCE.] Each applicant for a water conditioning contractor or installer license or renewal thereof may, in lieu of all other insurance requirements of any political subdivision for said licensing purposes, maintain the insurance specified by this subdivision. The insurance shall provide coverage, including products liability coverage, for all damages in connection with licensed work for which the licensee is liable, with personal damage limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in this state and each licensed water conditioning contractor or installer shall maintain on file with the commissioner of health a certificate evidencing the insurance. The insurance shall not be cancelled without the insurer first giving 15 days written notice to the commissioner.*

*Subd. 3. [BOND AND INSURANCE EXEMPTION.] A water conditioning contractor or installer who is an employee of a water*



"( ) Fergus Falls Solid Waste 100,000

The commissioner of administration shall prepare plans and working drawings at a cost within this appropriation for modifying or replacing the boiler unit at the Fergus Falls state hospital to burn solid waste supplied to the hospital by local units of government. The commissioner shall determine the availability of federal money for the project and shall attempt to secure the maximum federal share possible. The commissioner shall enter into preliminary agreements with local units of government to supply sufficient solid waste to generate heat and electricity during the economic life of the boiler unit. This appropriation is available until June 30, 1981."

Reletter the clauses in sequence

Amend the summary by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Hanson moved to amend H. F. No. 2476, as amended pursuant to Rule 49, adopted by the Senate March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 4, after line 14, insert:

"(a) Ditch Assessments 85,000

This appropriation is added to the appropriation for Administrative Management Services in Laws 1979, Chapter 333, Section 26, to be available until June 30, 1981."

Reletter the remaining clauses

Amend the summary by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Willet moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 34, line 15, after the period, insert "*This sum may also be used to evaluate the hydroelectric generating capacity of publicly owned dams, pursuant to section 105.482. From the appropriation made by this section, the commissioner of natural resources may grant to the University of Minnesota an amount not to exceed*

*\$150,000 for the purposes of conducting feasibility studies of hydroelectric power generation and engineering evaluations of dam safety."*

The motion prevailed. So the amendment was adopted.

Mr. Willet then moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 12, after line 29, insert:

"Sec. 29. BOARD OF THE ARTS. 175,000

This appropriation is for a grant to Northern Minnesota Public Television, Incorporated, for the purchase of studio and production equipment, and is available until June 30, 1981."

Page 34, line 3, delete "47 of this act" and insert "174.03"

Renumber the sections in sequence

Amend the summary by fund accordingly

The motion prevailed. So the amendment was adopted.

Mr. Willet then moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 26, line 18, after "Reservation" insert "*an amount equal to*"

Page 27, line 6, after "that" insert "*an amount equal to*"

Page 27, line 25, after the comma, insert "*an amount equal to*"

Page 27, after line 31, insert:

*"Subd. 3. [SOURCE OF PAYMENTS.] Payments to the Leech Lake Band and White Earth Band special license account made pursuant to sections 43 and 44 shall be from the general fund, and those amounts are annually appropriated for that purpose."*

The motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 3, delete section 9

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Coleman moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 41, after line 18, insert:

**"Sec. 62. [CONSOLIDATION OF STATE AND UNIVERSITY OF MINNESOTA EMPLOYEE BARGAINING UNITS.]** *The director of the bureau of mediation services shall commence hearings within 30 days of the effective date of this section for the purpose of consolidation of state bargaining units and university of Minnesota employee bargaining units. The director shall conduct appropriate hearings on the composition of the units and shall certify sixteen, or fewer, statewide occupationally-based, bargaining units for state employees and eleven, or fewer, statewide, occupationally-based, bargaining units for university of Minnesota employees for the contract periods commencing July 1, 1983. The director shall issue rules necessary for the implementation of this section, but where not inconsistent with this section or rules issued hereunder sections 179.61 to 179.76 and rules issued thereunder shall govern. The amount of \$500,000 is appropriated for the period commencing July 1, 1980 to the director of the bureau of mediation services for the purpose of implementing this section. These monies shall remain available until expended, provided that any monies not expended by June 30, 1983 revert to the general fund.*

**Sec. 63. [AGREEMENTS APPROVED.]** *Notwithstanding the provisions of Minnesota Statutes Section 299D.03, Subdivision 2, commencing July 2, 1980, the monthly base salary for highway patrol corporal, 10 through 20 years of service, shall be \$1,749.*

*Notwithstanding the provisions of Laws 1979, Chapter 332, Section 109, employees of the department of economic security who are represented by the Minnesota administrative hearing officers association shall be entitled to receive the benefits provided by Laws 1979, Chapter 332, Section 109, provided they meet the applicable eligibility requirements.*

*Notwithstanding the provisions of Minnesota Statutes, Section 179.74, Subdivision 5, the commissioner of personnel is authorized to implement those provisions of the agreements negotiated with the Minnesota nurses association covering employees of the department of health which establish wages and economic fringe benefits. In lieu of the salaries provided by Minnesota Statutes Section 43.12, Subdivisions 2 and 3, covered employees shall receive the salary increases provided by Laws 1979, Chapter 332, Section 103.*

*The provisions of section 179.63, Subdivision 11, shall not apply to the employees of the university of Minnesota hospitals."*

Amend the title as follows:

Page 1, line 6, after "conditions;" insert "authorizing the con-

solidation of state and university of Minnesota employee bargaining units;"

Mr. Spear moved to amend the Coleman amendment to H. F. No. 2476, as follows:

Page 1, lines 4 and 5, delete "AND UNIVERSITY OF MINNESOTA"

Page 1, line 8, delete "and"

Page 1, line 9, delete everything before the period

Page 1, line 13, delete "and ten, or fewer, statewide,"

Page 1, delete line 14

Page 1, line 15, delete "Minnesota employees"

The motion did not prevail. So the amendment to the Coleman amendment was not adopted.

The question recurred on the Coleman amendment. The motion prevailed. So the amendment was adopted.

Mr. Coleman then moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 36, after line 25, insert:

**"Sec. 59. [MERIT-BASED SELECTION AND PROMOTION.]** *Notwithstanding sections 43.18, 43.19, or any other law to the contrary the filling of vacancies and granting of promotions in state civil service shall be based solely on considerations of merit and fitness for the position.*

*Notwithstanding section 43.15, subdivision 5, or any other law to the contrary, no collective bargaining agreement to which the state is a party shall operate to preclude expansion of eligible lists to meet affirmative action goals, nor shall any agreement operate to preclude appointment of any member of a protected group otherwise qualified for the position.*

*Notwithstanding any provision of chapter 179, or any other law to the contrary, the state shall not meet and negotiate with the exclusive representatives of public employees on any matter limiting management's right to fill vacancies, grant promotions, or implement affirmative action plans. The provisions of any collective bargaining agreement or arbitration award limiting the right of state management to fill vacancies and grant promotions solely on the basis of merit and fitness, or to implement affirmative action plans, shall be null and void."*

Renumber the sections in sequence

Page 41, line 23, before the period insert ", except section 59, which is effective July 1, 1981"

The motion prevailed. So the amendment was adopted.

Mr. Coleman then moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 41, line 21, after the period, insert "*Minnesota Statutes, 1979 Supplement, Section 179.67, Subdivision 4a, is repealed.*"

Amend the title as follows:

Page 1, line 21, delete "Section 16.965" and insert "Sections 16.965; and 179.67, Subdivision 4a"

The motion prevailed. So the amendment was adopted.

Mr. Ashbach moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 3, line 26, before "Payroll" insert "(a)"

Page 3, after line 27, insert:

"(b) Advance Inflation Adjustment"      1,369,000    1,369,000

Page 12, after line 29, insert:

"Sec. . . . [ADVANCE INFLATION ADJUSTMENT.] *Subdivision 1. (a) Employees represented by the international union of operating engineers, local 34 and those members of local 49 who are employed by St. Cloud state university or Moose Lake, Cambridge, or Willmar state hospitals, or the independent Minnesota association of government employees; (b) any employee not represented by an exclusive bargaining representative and compensated pursuant to Minnesota Statutes, Section 43.12, or under a salary schedule established pursuant to section 43.121, subdivision 3, except an emergency, project, or temporary employee or an employee compensated pursuant to section 43.12 and excluded from a bargaining unit by section 179.74, subdivision 4; and (c) any employee compensated pursuant to Minnesota Statutes, Section 138.01, Subdivision 2; shall receive:*

(1) *A lump sum bonus of \$225 payable no later than May 1, 1980, provided he was employed prior to January 1, 1979, and was still employed on July 1, 1979; and*

(2) *A lump sum bonus of \$225 payable no later than July 31, 1980, provided he was employed prior to January 1, 1980, and was still employed on July 1, 1980. However, intermittent employees and nontenured laborers who otherwise meet the employment requirements of this section shall only be eligible to receive the bonus after completion of 100 working days in any 12-month period. Part-time employees who meet the employment requirements of this section shall receive a bonus of \$137.50 on each of the dates specified in this section.*

*Subd. 2. An employee shall be considered to be employed on*

*July 1, 1979, and July 1, 1980, if he is in payroll status, on approved leave of absence, or on seasonal layoff on that date.*

*Subd. 3. The bonus provided by this section shall not be considered as salary for the purpose of section 352.01, subdivision 13.*

*Subd. 4. Anyone receiving a bonus payment pursuant to Laws 1979, Chapter 332, Sections 108 and 109, is not eligible for a bonus payment under this section."*

Renumber the sections in sequence

Page 34, line 3, delete "47 of this act" and insert "174.03"

The motion prevailed. So the amendment was adopted.

Mr. Ashbach then moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 41, after line 8, insert:

*"Sec. . . . [PAY INCREASE.] The salary range of the state chief pilot is increased from range 15 to range 16."*

The motion prevailed. So the amendment was adopted.

Mr. Ulland, J. moved to amend H. F. No. 2476 as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 29, after line 26, insert:

*"Sec. 48. Minnesota Statutes, 1979 Supplement, Section 179.65, Subdivision 6, is amended to read:*

*Subd. 6. Supervisory and confidential employees, principals and assistant principals may form their own organizations. An employer shall extend exclusive recognition to a representative of or an organization of supervisory or confidential employees, or principals and assistant principals, for the purpose of negotiating terms or conditions of employment, in accordance with all other provisions of sections 179.61 to 179.76, as though they were essential employees. Units of supervisory or confidential employees shall not participate in any joint negotiations which involve the participation of units of employees other than supervisory or confidential employees. Affiliation of a supervisory or confidential employee organization with another employee organization which has as its members non-supervisory employees or non-confidential employees is permitted; provided that a state supervisory employee organization which is affiliated, either directly or indirectly, with another employee organization which is the exclusive representative of non-supervisory state employees or with a federation or other joint body of employee organizations, any one of whose affiliates is the exclusive representative of non-supervisory state employees, shall not be certified as,*

or act as, an exclusive representative pursuant to sections 179.61 to 179.76.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, before “180.03” insert “179.65, Subdivision 6;”

The motion prevailed. So the amendment was adopted.

Mr. Laufenburger moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 41, after line 18, insert:

“Sec. 62. Minnesota Statutes 1978, Section 299F.56, is amended by adding a subdivision to read:

*Subd. 2a. “Department” means the department of public service.*

Sec. 63. Minnesota Statutes 1978, Section 299F.56, Subdivision 5, is amended to read:

Subd. 5. “Transportation of gas” means the gathering, transmission, or distribution of gas by pipeline or its storage; except that it shall not include any such transportation of gas which is subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States, or the gathering of gas in those rural locations which lie outside the limits of any incorporated or unincorporated city, town, or any other designated residential or commercial area such as a subdivision, a business or shopping center, a community development or any similar populated area which the state fire marshal department may define as a nonrural area.

Sec. 64. Minnesota Statutes 1978, Section 299F.56, Subdivision 6, is amended to read:

Subd. 6. “Pipeline facilities” includes, without limitation, new and existing pipe rights of way and any equipment facility or building used in the transportation of gas or the treatment of gas during the course of transportation, but “rights of way” as used in sections 299F.56 to 299F.64 does not authorize the state fire marshal department to prescribe the location or routing of any pipeline facility. “Pipeline facilities” shall not include any facilities subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States.

Sec. 65. Minnesota Statutes 1978, Section 299F.57, is amended to read:

299F.57 [MINIMUM SAFETY STANDARDS.] Subdivision 1. The state fire marshal department shall, by order, establish minimum safety standards for the transportation of gas and pipeline facilities. Such Standards may apply to the design, installation,

inspection, testing, construction, extension, operation, replacement and maintenance of pipeline facilities. Standards affecting the design, installation, construction, initial inspection and initial testing shall not be applicable to pipeline facilities in existence on the date such standards are adopted. Such Safety standards shall be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the state fire marshal department shall consider:

- (a) relevant available pipeline safety data;
- (b) whether such standards are appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of any proposed standards;
- (d) the extent to which any such standards will contribute to public safety; and
- (e) the existing standards established by the Secretary of Transportation of the United States pursuant to the Natural Gas Pipeline Safety Act of 1968 of the United States.

Provided, however, that the state fire marshal department shall not be empowered to adopt any such standards as to the transportation of gas or to pipeline facilities which are subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States.

Subd. 2. Any standards prescribed under this section, and amendments thereto, shall become effective 30 days after the date of issuance of such standards unless the state fire marshal department, for good cause recited, determines an earlier or later effective date is required as the result of the period reasonably necessary for compliance.

Subd. 3. The rulemaking, contested case and judicial review provisions of chapter 15, shall apply to all orders establishing, amending, revoking, or waiving compliance with, any standard established under sections 299F.56 to 299F.64 or any penalty imposed under sections 299F.56 to 299F.64. The state fire marshal department shall afford interested persons an opportunity to participate fully in the establishment of such safety standards through submission of written data, views or arguments, with opportunity to present oral testimony and argument.

Subd. 4. Whenever the state fire marshal department shall find a particular facility to be hazardous to life or property, he shall be empowered to require the person operating such facility to take such steps necessary to remove such hazards.

Subd. 5. Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, the state fire marshal department may, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standards established under sections 299F.56 to 299F.64, if he

determines that a waiver of compliance with such standard is not inconsistent with gas pipeline safety. The state fire marshal department shall state his the reasons for any such waiver.

Sec. 66. Minnesota Statutes 1978, Section 299F.58, is amended to read:

299F.58 [CERTIFICATIONS AND REPORTS.] The state fire marshal department is authorized to make such certifications and reports to the United States Secretary of Transportation as may be required from time to time under the Natural Gas Pipeline Safety Act of 1968 of the United States.

Sec. 67. Minnesota Statutes 1978, Section 299F.60, Subdivision 1, is amended to read:

299F.60 [CIVIL PENALTIES.] Subdivision 1. Any person who violates any provision of sections 299F.56 to 299F.64, or any regulation issued thereunder, shall be subject to a civil penalty to be imposed by the state fire marshal department not to exceed \$1,000 for each such violation for each day that such violation persists, except that the maximum civil penalty shall not exceed \$200,000 for any related series of violations.

Sec. 68. Minnesota Statutes 1978, Section 299F.60, Subdivision 2, is amended to read:

Subd. 2. The state fire marshal department may negotiate a compromise settlement of a civil penalty. In determining the amount of such penalty, or the amount of the compromise settlement, the state fire marshal department shall consider the appropriateness of such penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation. The contested case and judicial review provisions of chapter 15 shall apply to all orders of the state fire marshal department imposing any penalty under sections 299F.56 to 299F.64 or under any regulation promulgated thereunder. The amount of such penalty, when finally determined, may be deducted from any sums owing by the state of Minnesota to the person charged.

Sec. 69. Minnesota Statutes 1978, Section 299F.61, Subdivision 1, is amended to read:

299F.61 [INJUNCTIVE RELIEF.] Subdivision 1. The district courts of the state of Minnesota shall have jurisdiction, subject to the provisions of the statutes and the rules of practice and procedure of the state of Minnesota relative to civil actions in the district courts, to restrain violations of sections 299F.56 to 299F.64, including the restraint of transportation of gas or the operation of a pipeline facility, or to enforce standards established hereunder upon petition by the attorney general on behalf of the state of Minnesota. Whenever practicable, the state fire marshal department shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an

opportunity to present his views, and, except in the case of a knowing and willful violation, shall afford him reasonable opportunity to achieve compliance. However, the failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

Sec. 70. Minnesota Statutes 1978, Section 299F.62, is amended to read:

**299F.62 [PLAN FOR INSPECTION AND MAINTENANCE.]**

Each person who engages in the transportation of gas or who owns or operates pipeline facilities subject to sections 299F.56 to 299F.64 shall file with the state fire marshal department a plan for inspection and maintenance of each such pipeline facility owned or operated by such person, and any changes in such plan, in accordance with the regulations prescribed by the state fire marshal department. If the state fire marshal department finds that such plan is inadequate to achieve safe operation, he it shall, after notice and opportunity for a hearing, require such plan to be revised. The plan required by the state fire marshal department shall be practicable and designed to meet the need for pipeline safety. In determining the adequacy of any such plan, the state fire marshal department shall consider the following:

- (a) relevant available pipeline safety data;
- (b) whether the plan is appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of the plan; and
- (d) the extent to which such plan will contribute to public safety.

Sec. 71. Minnesota Statutes 1978, Section 299F.63, is amended to read:

**299F.63 [RECORDS AND REPORTS; INSPECTIONS; COSTS; TRADE SECRETS.]** Subdivision 1. Each person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the state fire marshal department may reasonably require to enable him it to determine whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established under sections 299F.56 to 299F.64. Each such person shall, upon request of an officer, employee, or agent authorized by the state fire marshal department, permit such officer, employee, or agent to inspect books, papers, records and documents relevant to determining whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established pursuant to sections 299F.56 to 299F.64. For purposes of enforcement of sections 299F.56 to 299F.64, officers, employees, or agents authorized by the state fire marshal department, upon presenting appropriate credentials to the individual in charge, are authorized to enter upon, at reasonable times, pipeline facilities, and to inspect, at reasonable times and within reasonable limits

and in a reasonable manner, ~~such~~ *the* facilities. Each ~~such~~ inspection shall be commenced and completed with reasonable promptness.

*Subd. 1a. The department shall assess and bill the salary and expense costs of the gas pipeline safety inspection program less any offsetting federal grant reimbursements for that program to all the gas systems whether private or municipal subject to inspection in proportion to the number of gas meters in each system. Billing shall be done within 90 days of the close of the state fiscal year. The assessment shall be paid to the state treasury within 30 days after the bill has been mailed to the gas systems which mailed bill shall constitute notice of assessment and demand for payment thereof.*

*Subd. 2. In the course of the exercise of his duties and responsibilities under sections 299F.56 to 299F.64, the state fire marshal department shall wherever practicable employ a practice of spot checking and issuance of certificates of compliance, with respect to persons subject to sections 299F.56 to 299F.64, to limit costs of enforcement of the safety standards established pursuant to sections 299F.56 to 299F.64.*

*Subd. 3. All information reported to or otherwise obtained by the state fire marshal or his department or its representative, which contains or relates to a trade secret, as referred to in section 1905 of title 18 of the United States Code, or otherwise constitutes a trade secret under law, shall be considered confidential for the purpose of such laws, except that such information may be disclosed to other officers or employees concerned with carrying out sections 299F.56 to 299F.64 or when relevant in any proceeding under sections 299F.56 to 299F.64.*

Sec. 72. Minnesota Statutes 1978, Section 299F.64, is amended to read:

299F.64 [FEDERAL MONEYS.] *The state fire marshal department may accept any and all moneys provided for or made available to this state by the United States of America or any department or agency thereof with respect to prescribing, setting, and enforcing rules, regulations, and safety standards for the transportation of natural and other gas by pipelines in accordance with the provisions of federal law and any rules or regulations promulgated thereunder and the state fire marshal department is further authorized to do any and all things, not contrary to the laws of this state, required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal moneys.*

Sec. 73. [TRANSFER OF FUNCTIONS; RULES; PENDING ACTIONS.] *Subdivision 1. All powers, duties and functions previously vested in the division of fire marshal of the department of public safety by Minnesota Statutes 1978, Sections 299F.56 to 299F.64 are transferred to, vested in and imposed upon the department of public service, effective July 1, 1980.*

*Subd. 2. Regulations and standards for gas and pipeline safety*

as incorporated in Title 49, Code of Federal Regulations 192, and amendments thereto published in the Federal Register through September 5, 1978, as modified by Fire Mar Rules 4, 14 and 23, are incorporated by reference and made a part of the Minnesota rules and standards for gas and pipeline safety, along with existing Fire Mar Rules 1 to 29. Administration of these rules, regulations and standards is transferred from the division of fire marshal of the department of public safety to the department of public service, effective July 1, 1980. Rules, regulations and standards adopted or transferred to the department of public service by this subdivision shall continue in effect until repealed, modified or suspended by subsequent rule of the department of public service. Discrepancies or inconsistencies between any provision of Fire Mar Rules 1 to 29 and the Code of Federal Regulations shall be resolved in favor of the Code of Federal Regulations.

*Subd. 3. Any proceeding, legal action, prosecution or other business or matter undertaken or commenced prior to July 1, 1980 by the fire marshal division of the department of public safety in the exercise of a power, duty or function transferred by this section may be continued to completion by the department of public service in the same manner, under the same terms and conditions and with the same effect as though undertaken or commenced by the department of public service in the first instance.*

**Sec. 74. [TRANSFER OF FUNDS, POSITIONS, EQUIPMENT.]** *Subdivision 1. All unexpended funds appropriated to the department of public safety for the gas pipeline safety program by the Laws 1979, Chapter 333, Section 41, are cancelled and shall revert to the general fund.*

*Subd. 2. One full-time position in the classified service in the department of public safety used to support any of the functions, powers and duties transferred to the department of public service is transferred to the department of public service. The commissioner of finance and commissioner of personnel shall determine the position to be transferred along with any accrued benefits pertaining thereto to the department of public service.*

*Subd. 3. All equipment, furnishings, supplies and any appropriate contractual agreements related to the gas pipeline safety program are transferred to the department of public service.*

*Subd. 4. The authorized complement of the department of public service is increased by six positions and the authorized complement of the department of public safety is reduced by one position.*

**Sec. 75.** *There is appropriated to the department of public service from the general fund \$259,280 for the biennium ending June 30, 1981. The department of public service is authorized to make application for, receive and deposit into the general fund any and all gas pipeline safety program funds available from the federal government in support of this program.*

**Sec. 15.** *Sections 62 to 75 are effective July 1, 1980."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, after the first semicolon, insert "299F.56, Subdivisions 5 and 6, and by adding a subdivision; 299F.57; 299F.58; 299F.60, Subdivisions 1 and 2; 299F.61, Subdivision 1; 299F.62; 299F.63; 299F.64; "

The motion prevailed. So the amendment was adopted.

Mr. Ueland, A. moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 2, line 38, before "Open" insert "(a)"

Page 2, after line 41, insert:

"(b) Biomedical Research 300,000

This appropriation is for merit fellowship grants for biomedical research, to be awarded pursuant to the directions of the statewide health coordinating council. "Biomedical research" means research into the basic processes and distribution of health and disease, including clinical interventions that affect these processes. Two percent of the money may be used by the state planning agency for administration and evaluation of the health research program.

A merit fellowship shall be awarded primarily on the basis of an applicant's research potential and secondarily on the basis of which areas of health will be addressed by the research. The areas of research shall reflect state health priorities as determined by the council.

This appropriation is available until June 30, 1981.

The state planning agency shall evaluate the programs funded by this appropriation and shall report to the legislature by January 15, 1982, on its findings and recommendations."

Amend the summary by fund accordingly

The motion prevailed. So the amendment was adopted.

Having voted on the prevailing side, Mr. Pillsbury moved that the vote whereby the Schaaf amendment to H. F. No. 2476 was not adopted on March 25, 1980, be now reconsidered.

## CALL OF THE SENATE

Mr. Tennesen imposed a call of the Senate. The following Senators answered to their names.

Barrette	Humphrey	Luther	Pillsbury	Stern
Brataas	Johnson	Menning	Purfeerst	Stokowski
Chmielewski	Keefe, J.	Merriam	Renneke	Strand
Coleman	Keefe, S.	Moe	Rued	Stumpf
Engler	Kleinbaum	Nelson	Schaaf	Tennesen
Frederick	Knaak	Nichols	Sieloff	Ueland, A.
Gearty	Knoll	Olhoft	Sikorski	Willet
Gunderson	Knutson	Perpich	Spear	
Hughes	Laufenburger	Peterson	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Pillsbury.

The roll was called, and there were yeas 30 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Keefe, S.	Nelson	Solon
Ashbach	Gearty	Kleinbaum	Ogdahl	Stern
Brataas	Hanson	Knoll	Olson	Stokowski
Chmielewski	Hughes	Laufenburger	Perpich	Vega
Coleman	Jensen	McCutcheon	Schaaf	Wegener
Engler	Johnson	Moe	Setzepfandt	Willet

Those who voted in the negative were:

Bang	Humphrey	Nichols	Rued	Strand
Barrette	Keefe, J.	Olhoft	Schmitz	Stumpf
Benedict	Knaak	Omann	Sieloff	Tennesen
Bernhagen	Knutson	Peterson	Sikorski	Ulland, J.
Davies	Luther	Pillsbury	Sillers	
Dieterich	Menning	Purfeerst	Spear	
Gunderson	Merriam	Renneke	Staples	

The motion did not prevail.

Mr. Moe moved to amend H. F. No. 2476, as amended by the Senate, adopted March 25, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2400.)

Page 41, after line 18, insert:

**"Sec. 62. [STUDY OF AREA VOCATIONAL-TECHNICAL INSTITUTES.]** *Subdivision 1. In view of future enrollment trends, the higher education coordinating board shall conduct a study of the area vocational-technical institutes and make recommendations in regard to:*

(a) *The mission of the area vocational-technical institutes and their relationship to other systems and institutions;*

(b) *The instructional programs and community services to be offered by the area vocational-technical institutes;*

(c) *The governance and structure of the area vocational-technical institutes;*

(d) *The financing policies and procedures of the area vocational-technical institutes;*

(e) *Other appropriate issues as necessary.*

*The board shall submit its report and recommendations to the legislature by February 1, 1981.*

*Subd. 2. The sum of \$28,000 is appropriated from the general fund to the higher education coordinating board for the purposes of conducting this study, and shall be available until February 2, 1981. Any funds not expended or encumbered on that date shall revert to the general fund."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "conditions;" insert "providing for a study of area vocational-technical institutes; requiring a report of the study;"

The motion prevailed. So the amendment was adopted.

H. F. No. 2476 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Peterson	Staples
Ashbach	Gunderson	Luther	Pillsbury	Stern
Bang	Hanson	McCutcheon	Purfeerst	Stokowski
Barrette	Hughes	Menning	Renneke	Strand
Benedict	Humphrey	Merriam	Rued	Stumpf
Bernhagen	Jensen	Moe	Schaaf	Tennessen
Brataas	Johnson	Nelson	Schmitz	Ueland, A.
Chmielewski	Keefe, J.	Nichols	Setzepfandt	Ulland, J.
Coleman	Keefe, S.	Ogdahl	Sieloff	Vega
Davies	Kleinbaum	Olhoft	Sikorski	Wegener
Dieterich	Knaak	Olson	Sillers	Willet
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Perpich	Spear	

So the bill, as amended, passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was re-referred

S. F. No. 2292: A bill for an act relating to regional railroad

authorities; providing for their organization and governmental purpose, powers and duties.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, line 16, after "authority" insert "until the time of its repeal pursuant to Laws 1979, Chapter 303, Article VII, Section 16"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was re-referred

H. F. No. 1904: A bill for an act relating to the Nine Mile Creek and Riley-Purgatory Creek Watershed Districts; providing for the establishment of district water maintenance and repair funds; authorizing tax levies for water maintenance and repair purposes.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

H. F. No. 1262: A bill for an act relating to the city of Breezy Point; relating to its tax levy for general purposes; repealing Laws 1971, Chapter 110.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was re-referred

S. F. No. 121: A bill for an act proposing an amendment to the Minnesota Constitution, Article IV, Section 12; removing references to legislative days.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Moe from the Committee on Finance, to which was re-referred

S. F. No. 1639: A bill for an act relating to state government; providing for a cafeteria operation revolving fund for certain cafeterias; appropriating money; amending Minnesota Statutes 1978, Chapter 16, by adding a section.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe from the Committee on Finance, to which was re-referred

S. F. No. 2014: A bill for an act relating to housing; appropriating money to the Minnesota housing finance agency for the purpose of subsidizing certain loan origination fees; requiring a report.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 403: A bill for an act relating to local government; permitting self insurance for local governments; authorizing insurance pooling; appropriating money; amending Minnesota Statutes 1978, Sections 60A.02, Subdivisions 3 and 4; 79.01, Subdivisions 2 and 3; and Chapter 471, by adding sections.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 29, after the dollar sign insert "43,000"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1083: A bill for an act relating to game and fish; providing that a portion of deer license fees shall be used for deer habitat improvement; appropriating money; amending Minnesota Statutes 1978, Section 97.49, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete everything after "(b)" and insert "*It is the policy of this state that*"

Page 1, line 18, delete everything after "*improvement*" and insert a period

Page 1, delete line 19

Amend the title as follows:

Page 1, line 4, delete "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was re-referred

S. F. No. 1906: A bill for an act relating to the Nine Mile Creek Watershed District and the Riley-Purgatory Creek Watershed District; authorizing an ad valorem tax for certain purposes.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, delete "AND" and insert a comma and after the second "CREEK" insert "AND RED LAKE"

Page 1, line 10, delete "and" and insert a comma

Page 1, line 12, after "counties" insert "and the Red Lake Watershed District in Polk, Beltrami, Marshall, Clearwater, Pennington, Red Lake, Koochiching, Mahnomen and Roseau counties"

Amend the title as follows:

Page 1, line 3, delete "and" and insert a comma and after "District" insert "and the Red Lake Watershed District"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 376: A bill for an act relating to jails; providing for financing, joint operation, aid criteria, and state standards; amending Minnesota Statutes 1978, Sections 475.58, Subdivision 1; 641.21; 641.23; 641.262, Subdivision 1; 641.263, Subdivision 2; 641.265; and 642.04.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 375.18, Subdivision 3, is amended to read:

Subd. 3. [COURTHOUSE, JAIL.] Each county board may erect, furnish, and maintain a suitable court house and jail, but no indebtedness shall be created for such purpose in excess of one and two-thirds mills on each dollar of assessed valuation without the approval of a majority of the voters of the county voting on the question of issuing the obligation at an election.

Sec. 2. Minnesota Statutes 1978, Section 474.01, Subdivision 7a, is amended to read:

Subd. 7a. No municipality shall undertake any project authorized by this chapter, *except a project referred to in section 474.02, subdivision 1d*, until the commissioner of securities has approved the project, on the basis of preliminary information which the commissioner may require, as tending to further the purposes and policies of this chapter. Approval shall not be deemed to be an approval by the commissioner of securities or the state of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor, and the commissioner shall state this in communicating approval.

Sec. 3. Minnesota Statutes 1978, Section 474.01, Subdivision 8, is amended to read:

Subd. 8. Each municipality and redevelopment agency upon entering into a revenue agreement, *except one pertaining to a project referred to in section 474.02, subdivision 1d*, shall furnish the department of economic development on ~~such~~ *the* forms as the department may prescribe the following information concerning the project: The name of the contracting party, the nature of the enterprise, the location, approximate number of employees, the general terms and nature of the revenue agreement, the amount of bonds or notes issued, and ~~such~~ other information as the department may deem advisable. The department shall keep a record of the information which shall be available to the public at ~~such~~ times as the department shall prescribe.

Sec. 4. Minnesota Statutes 1978, Section 474.01, is amended by adding a subdivision to read:

*Subd. 10. The welfare of the state further requires the provision of county jail facilities for the purpose of providing adequately for the care, control, and safeguarding of civil rights of prisoners.*

Sec. 5. Minnesota Statutes 1978, Section 474.02, is amended by adding a subdivision to read:

*Subd. 1d. The term "project" shall also include any properties, real or personal, used or useful in connection with a county jail or county regional jail, the plans for which are approved by the commissioner of corrections; provided that the provisions of section 474.03, clauses (6) and (12) shall not apply to such projects.*

Sec. 6. Minnesota Statutes 1978, Section 641.23, is amended to read:

641.23 [FUNDS, HOW PROVIDED.] Before ~~making~~ any contract *is made* for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor, ~~but it shall create no bonded indebtedness for that purpose in excess of the limit now or thereafter established by law in accordance with the provisions of chapter 475, provided that:~~

*(a) The amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall not exceed an amount equal to four mills times the assessed value of taxable property within the county, as last determined before the bonds are issued; and*

*(b) No election shall be required, if the issuance of the bonds is authorized by resolution of the county board after a public hearing on the acquisition or betterment of the jail, held upon notice published in the official county newspaper on a date at least 30 days before the hearing, stating the time and place of the hearing, the place where the plans approved by the commissioner of corrections may be examined, and the estimated cost including all incidental costs.*

Sec. 7. Minnesota Statutes 1978, Section 641.24, is amended to read:

641.24 [LEASING.] Such bonds shall be issued in sums of not less than \$100, nor more than \$1,000, each and bear interest at not more than six percent per annum, payable semiannually, and the principal payable at a time fixed by the county board, not more than 20 years from their date. The board shall, from time to time, levy a tax sufficient to meet the interest and principal as it becomes due, until their payment has been fully provided for. The county may, by resolution of the county board, enter into a lease agreement with any statutory or home rule charter city situated within the county, whereby the city will construct a county jail in accordance with plans approved by the commissioner of corrections and will finance it by the issuance of revenue bonds, and the county will lease the jail site and improvements for a term and upon rentals sufficient to produce revenue for the prompt payment of the bonds and all interest accruing thereon and, upon completion of payment, will acquire title thereto. The real and personal property acquired for the jail shall constitute a project and the lease agreement shall constitute a revenue agreement as contemplated in chapter 474, and all proceedings shall be taken by the city and the county in the manner and with the force and effect provided in chapter 474; provided that:

(1) No tax shall be imposed upon or in lieu of a tax upon the property;

(2) The approval of the project by the commissioner of securities shall not be required;

(3) The department of corrections shall be furnished and shall record such information concerning each project as it may prescribe, in lieu of reports required on other projects to the department of economic development;

(4) The rentals required to be paid under the lease agreement shall not exceed in any year four-tenths of one percent of the assessed value of property within the county, as last finally equalized before the execution of the agreement;

(5) The county board shall provide for the payment of all rentals due during the term of the lease, in the manner required in section 641.264, subdivision 2; and

(6) No mortgage on the jail property shall be granted for the security of the bonds, but compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the county board.

Sec. 8. Minnesota Statutes 1978, Section 641.262, Subdivision 1, is amended to read:

641.262 [ESTABLISHMENT OF REGIONAL JAILS BY CONTIGUOUS COUNTIES.] Subdivision 1. [ACTION BY COUNTY BOARD.] Two or more contiguous counties, each contiguous at one or more points with one or more of the other counties, may cooperate to establish, operate, and maintain a regional jail in the manner provided in sections 641.261 to 641.266. A county may join with other counties in the establishment, operation, and maintenance of a regional jail by majority vote

of its county board. A county board so voting shall also appropriate its approximate proportionate share of the initial expenses of the proposed county regional jail, which proportion is estimated in the manner provided in section 641.264, subdivision 2, and which is paid over upon receiving notice from the regional jail board as provided in section 641.263, subdivision 1.

Sec. 9. Minnesota Statutes 1978, Section 641.263, Subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF SITE, BUILDINGS.] The regional jail board may lease suitable premises or acquire by gift, purchase, or condemnation proceedings instituted in the name of the counties, a suitable site, and erect on the site buildings suitable for a regional jail. Condemnation proceedings shall be conducted in the manner provided in ~~Minnesota Statutes 1961,~~ chapter 117. No premises shall be leased, site acquired, or building erected without the approval of the county board of each cooperating county *and the commissioner of corrections. The regional jail board may by resolution enter into a lease agreement with any statutory or home rule charter city situated within any of the counties, in the same manner and with the same force and effect as a county acting under the provisions of section 641.24; provided that any such lease agreement, and any amendment thereto, shall be approved by the county board of each cooperating county before it is executed.*

Sec. 10. Minnesota Statutes 1978, Section 641.264, Subdivision 1, is amended to read:

641.264 [FINANCING.] Subdivision 1. [CAPITAL IMPROVEMENTS; BOND ISSUES AND LEASES.] The construction or acquisition, the equipping, and subsequent improvement of a county regional jail may be financed in whole or in part by the issuance of general obligation bonds *of the cooperating counties in the manner provided in Minnesota Statutes 1961,* ~~chapter 475~~ *section 641.23 or by the issuance of revenue bonds of a city situated in one of the counties, secured by a lease agreement in the manner provided in chapter 474 and in sections 641.24 and 641.263, subdivision 2.* Proceedings for the issuance of ~~the~~ *general obligation bonds* shall be instituted by the board of county commissioners of each cooperating county. The regional jail board, with the approval of the county board of each cooperating county, shall fix the total amount necessary to be raised for the construction or acquisition, the equipping, and subsequent improvement of a regional jail, and shall apportion to each county in the manner provided in subdivision 2 *the share of this amount, or of annual debt service or lease rentals required to pay this amount with interest, which is to be raised by the county.*

Sec. 11. Minnesota Statutes 1978, Section 641.265, is amended to read:

641.265 [ADMISSION, WITHDRAWAL OF COUNTIES.] Subdivision 1. [ADMISSION.] A county which is ~~not a participant~~ *could cooperate in a regional jail system under the provisions of*

*section 641.262, subdivision 1, but has not cooperated in its formation, may purchase acquire an interest in a the regional jail if the county boards board of each of the cooperating counties owning the jail decide decides , by majority vote, to admit the county. With the approval of the county board of each cooperating county, the regional jail board shall fix the sum to be paid for admission to ownership terms and conditions upon which an additional county may acquire an interest in the regional jail ; which sum shall be deposited in the regional jail fund . A county admitted to ownership acquiring such an interest has all of the rights, privileges, duties, and obligations provided by sections 641.261 to 641.266 , provided that as a condition for admission the county may be required to pay initially or annually a sum sufficient to reimburse to the other cooperating counties part or all of the additional county's proportionate share of amounts theretofore paid by the other counties with respect to capital cost, debt service, or lease rentals, based on the relative populations of the respective counties according to the last federal or state census preceding admission .*

**Subd. 2. [WITHDRAWAL.]** A county board may withdraw its interest from cooperation in a regional jail system if the county boards of each all of the other cooperating counties decide, by majority vote, to allow the withdrawal. With the approval of the county board of each cooperating county, the regional jail board shall fix the sum , if any, to be paid to the county withdrawing, which sum to reimburse it for capital cost, debt service, or lease rental payments made by the county prior to withdrawal, in excess of its proportionate share of benefits from the regional jail prior to withdrawal, and the time and manner of making payments. The payments shall be deemed additional payments of capital cost, debt service, or lease rentals to be made proportionately by the remaining counties and, when received, shall be deposited in and paid from the regional jail fund ; provided that:

(a) Payments shall not be made from any amounts in the regional jail fund which are needed for maintenance and operation expenses or lease rentals currently due and payable; and

(b) The withdrawing county shall remain obligated for the payment of its proportionate share of any lease rentals due and payable after its withdrawal, in the event and up to the amount of any lease payment not made when due by one or more of the other cooperating counties .

Sec. 12. Minnesota Statutes 1978, Section 642.04, is amended to read:

**642.04 [CITIES MAY SEND PRISONERS TO JAILS OUTSIDE.]** When, in any statutory or home rule charter city of the fourth class , no jail exists, which in the judgment of the city council, or other governing body, is sufficient or suitable for the detention of persons lawfully under arrest in the city, the council, or other governing body, may cause persons lawfully arrested to be detained in any city or county or county regional jail or lockup in

the same or in an adjoining county; provided, that *such that* detention shall be with the consent of the city or county or *regional jail board operating the jail* where *such the* persons are detained, and that there shall be paid to *such the* city or county or *regional jail board* the necessary cost and expense which may be incident to taking care of *such persons* while *they are* lawfully detained or imprisoned."

Delete the title and insert:

"A bill for an act relating to county and county regional jails; providing for establishment and use of county jails and county regional jails and the financing thereof by county contributions and bonds and municipal revenue bonds and leases; amending Minnesota Statutes 1978, Sections 375.18, Subdivision 3; 474.01, Subdivisions 7a and 8, and by adding a subdivision; 474.02, by adding a subdivision; 641.23; 641.24; 641.262, Subdivision 1; 641.263, Subdivision 2; 641.264, Subdivision 1; 641.265; and 642.04."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2224: A bill for an act relating to taxation; individual and corporate income tax, withholding, and property tax refunds; clarifying definitions; making social security numbers mandatory on certain drivers license applications; providing for administrative changes; amending Minnesota Statutes 1978, Sections 171.06, Subdivision 3; 171.07, Subdivision 1; 268.12, Subdivision 12; 290.01, Subdivision 21; 290.06, Subdivision 3e; 290.067, Subdivision 2; 290.09, Subdivisions 10 and 29; 290.10; 290.13, Subdivision 5; 290.136, Subdivision 9; 290.16, Subdivisions 3, 7, 9 and 12; 290.31, Subdivisions 2 and 27; 290.39, Subdivision 1; 290.41, Subdivision 2, and by adding a subdivision; 290.49, Subdivision 1; 290.92, Subdivisions 1, 2a, 5 and 6; 290.934, Subdivisions 4 and 5; 290A.08; 290A.17; Minnesota Statutes, 1979 Supplement, Sections 290.01, Subdivision 20; 290.06, Subdivisions 3c, 3f, 3g and 14; 290.09, Subdivision 15; 290.095, Subdivision 1; 290.17, Subdivisions 1 and 2; 290.21, Subdivision 3; 290.37, Subdivision 1; 290A.03, Subdivision 3; repealing Minnesota Statutes, 1979 Supplement, Section 290.23, Subdivision 16.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 4, delete sections 1 to 3

Page 13, line 6, delete "*which qualifies for the modification contained*" and insert "*defined*"

Page 13, line 11, delete "*which qualifies*"

Page 13, line 12, delete "*for the modification contained*" and insert "*defined*"

Page 28, line 5, after the period insert *"The provisions of section 290.61 shall apply to employees of the energy agency who receive information furnished by the taxpayer for purposes of claiming this credit."*

Page 56, after line 26, insert:

"Sec. 21. Minnesota Statutes 1978, Section 290.17, is amended by adding a subdivision to read:

*Subd. 1a. [SUBSEQUENT ADJUSTMENT.] When a loss has been reduced by the amount of tax preference items pursuant to subdivision 1, and the taxpayer subsequently sells or otherwise disposes of an asset in relation to which arose an item of tax preference which caused the reduction of the loss, the taxpayer may increase the basis of the asset by the amount of the tax preference item that was used to reduce the loss. If the asset is a depletable asset, the taxpayer may elect to so increase its basis upon disposition or to reduce the amount of otherwise taxable income subsequently produced by that asset by the amount of the tax preference item."*

Page 67, delete section 31

Pages 67 to 74, delete sections 33 and 34

Page 86, line 20, delete *"Sections 1 and 2 are"*

Page 86, line 21, delete *"effective August 1, 1980."* and delete *"3, 18, 29, 32, and 41"* and insert *"15, 27, 29 and 36"*

Page 86, line 22, delete *"4, 6,"* and insert *"1, 3,"*

Page 86, delete line 23 and insert *"4, 8, 9, 11, 12, 13, 20, 21, 22, 23, 26, 30, and 37 are"*

Page 86, line 25, delete *"10"* and insert *"7"*

Page 86, line 27, delete *"9 and 13"* and insert *"6 and 10"*

Page 86, line 28, delete *"Sections 33, 34 and 36 are"* and insert *"Section 31 is"*

Page 86, line 29, delete *"39 and 40"* and insert *"34 and 35"*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete *"making social security"*

Page 1, delete line 5

Page 1, line 6, delete *"applications;"*

Page 1, delete line 8 and insert *"Sections"*

Page 1, line 9, delete *"Subdivision 1; 268.12, Subdivision 12;"*

Page 1, line 14, after *"12;"* insert *"290.17, by adding a subdivision;"*

Page 1, line 15, delete *", and by"*

Page 1, line 16, delete *"adding a subdivision"*

Page 1, line 17, delete "1, 2a,"

And when so amended the bill do pass. Amendments adopted.  
Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 1154: A bill for an act relating to taxation; income; increasing the maximum dependent care credit and removing income limitations; amending Minnesota Statutes 1978, Section 290.067.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 8 to 17

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 1978, Section 290.067, Subdivision 2, is amended to read:"

Page 1, line 22, after the stricken period, reinstate the stricken language

Page 2, reinstate the stricken language on lines 1 and 2

Page 2, line 3, after the stricken "\$12,000" insert "\$25,000" and reinstate the stricken period

Page 2, delete lines 10 to 30

Page 2, line 32, delete "1978" and insert "1979"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "290.067" insert ", Subdivision 2"

And when so amended the bill do pass. Amendments adopted.  
Report adopted.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 2292, 1639, 2014, 403, 1083, 1906, 376, 2224 and 1154 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. No. 1262 was read the second time.

H. F. No. 1904 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

Mr. Ashbach moved that the message to the Governor on the rejection of the appointment of James R. Otto to the Workers' Compensation Court of Appeals be recalled.

The President ruled the motion was not in order.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Coleman moved that the Senate do now adjourn until 11:00 o'clock a.m., Thursday, March 27, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

## EIGHTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, March 27, 1980

The Senate met at 11:00 o'clock a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Anderson	Dunn	Knoll	Olhoff	Staples
Bang	Engler	Laufenburger	Renneke	Stokowski
Barrette	Gearty	Luther	Rued	Strand
Benedict	Gunderson	McCutcheon	Schmitz	Stumpf
Bernhagen	Hughes	Menning	Setzepfandt	Tennessee
Chmielewski	Humphrey	Moe	Sikorski	Ueland, A.
Coleman	Johnson	Nelson	Sillers	Ulland, J.
Dieterich	Kirchner	Ogdahl	Spear	Wegener

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Lee Freeman.

The roll was called, and the following Senators answered to their names:

Anderson	Frederick	Knutson	Omann	Solon
Ashbach	Gearty	Laufenburger	Penny	Spear
Bang	Gunderson	Lessard	Perpich	Staples
Barrette	Hanson	Luther	Peterson	Stern
Benedict	Hughes	McCutcheon	Pillsbury	Stokowski
Bernhagen	Humphrey	Menning	Purfeerst	Strand
Brataas	Johnson	Merriam	Renneke	Stumpf
Chmielewski	Keefe, J.	Moe	Rued	Tennessee
Coleman	Keefe, S.	Nelson	Schmitz	Ueland, A.
Davies	Kirchner	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Ogdahl	Sieloff	Vega
Dunn	Knaak	Olhoff	Sikorski	Wegener
Engler	Knoll	Olson	Sillers	Willett

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Mr. Omann was excused from the Session of today until 1:30 o'clock p.m. Mr. Menning was excused from the Session of today at 4:00 o'clock p.m. Mr. Schaaf was excused from the Session of today until 3:00 o'clock p.m. Mr. Gunderson was excused from the Session of today from 12:00 to 12:30 o'clock p.m.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bills were read the first time and referred to the committees indicated.

Messrs. Barrette; Ulland, J.; Mrs. Knaak; Messrs. Gearty and Nelson introduced—

S. F. No. 2416: A bill for an act relating to elections; making certain changes in the form of certain ballots and ballot labels; clarifying certain ballot preparation procedures; amending Minnesota Statutes 1978, Sections 203A.11, Subdivision 1; 203A.12, Subdivision 2; 206.07, Subdivision 1; 206.09; and Chapter 206, by adding a section.

Referred to the Committee on Elections.

Mrs. Staples and Mr. Hanson introduced—

S. F. No. 2417: A bill for an act relating to taxation; providing for taxation of certain hydroelectric property; amending Minnesota Statutes 1978, Sections 272.01, Subdivision 3; and 273.19, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 1789.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1853: A bill for an act relating to taxation; removing limitations on the admissibility of sales ratio studies; providing that property tax court judges shall be learned in the law; providing that certain documents be made available to the petitioner and providing for their admittance as evidence; providing that tax court judgments will not include penalties; amending Minnesota Statutes 1978, Sections 271.01, Subdivision 1; 272.70; 278.01, Subdivision 1; 278.05; and 278.08; Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11.

Senate File No. 1853 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1980

## CONCURRENCE AND REPASSAGE

Mr. Davies moved that the Senate concur in the amendments by the House to S. F. No. 1853 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1853: A bill for an act relating to taxation; removing limitations on the admissibility of sales ratio studies; providing that certain documents be made available to the petitioner and providing for their admittance as evidence; providing that tax court judgments will not include penalties; amending Minnesota Statutes 1978, Sections 278.01, Subdivision 1; 278.05; and 278.08; Minnesota Statutes, 1979 Supplement, Section 124.212, Subdivision 11.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Laufenburger	Perpich	Staples
Ashbach	Gearty	Lessard	Peterson	Stokowski
Bang	Gunderson	Luther	Pillsbury	Strand
Barrette	Hanson	McCutcheon	Purfeerst	Stumpf
Benedict	Hughes	Menning	Renneke	Tennessee
Bernhagen	Humphrey	Merriam	Rued	Ueland. A.
Brataas	Johnson	Moe	Schmitz	Ulland. J.
Chmielewski	Keefe, J.	Nelson	Setzepfandt	Vega
Coleman	Keefe, S.	Ogdahl	Sikoraki	Wegener
Davies	Kirchner	Olhoft	Sillers	
Dieterich	Knoll	Omamm	Solon	
Dunn	Knutson	Penny	Spear	

So the bill, as amended, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1764: A bill for an act relating to taxation; property tax; providing for uncontested hearings for property valuation; information to be included on valuation notices; clarifying the computation of agricultural aid credit; clarifying acreage available for homestead credit; prohibiting increases in valuation of property after appeals of market value; changing date for county board of equalization meeting and transfer of books to treasurer; changing penalty and interest rates; clarifying the role of administrative auditor in fiscal disparities; amending Minnesota Statutes 1978, Sections 270.11, Subdivision 6; 273.121; 273.13, Subdivision 6a; 273.135, Subdivision 1; 274.01, Subdivision 1; 274.13, Sub-

division 1; 274.14; 276.01; 279.01; 279.37, Subdivision 2; 282.01, Subdivisions 1 and 4; 282.222, Subdivision 4; 282.261; and 473F.08, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 273.13, Subdivision 6; and 282.15; repealing Minnesota Statutes 1978, Sections 275.31; 275.32; 275.33; 275.34; 275.35; and 473F.08, Subdivisions 7 and 8.

Senate File No. 1764 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1980

Mr. Merriam moved that S. F. No. 1764 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H. F. No. 1896: A bill for an act relating to juveniles; establishing criteria for reference of certain juveniles for prosecution; requiring written findings and conclusions after reference hearings; providing monitoring by the crime control planning board; amending Minnesota Statutes 1978, Section 260.125, by adding subdivisions.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Kelly, Vanasek, Crandall, Novak and Jennings have been appointed as such committee on the part of the House.

House File No. 1896 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1980

Mr. Sikorski moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1896, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1612, 2436 and 2023.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1980

**FIRST READING OF HOUSE BILLS**

The following bills were read the first time and referred to the committee indicated.

**H. F. No. 1612:** A bill for an act relating to metropolitan government; providing for metropolitan area agricultural preserves; providing property tax relief; excepting the conveyance of certain land from restrictions on the filing and recording of conveyances; modifying the policy statement for municipal planning and development; appropriating money; amending Minnesota Statutes 1978, Sections 462.351; and 462.358, Subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1597 now in the Subcommittee on Bill Scheduling.

**H. F. No. 2436:** A bill for an act relating to the city of Duluth; providing for certain city tax revenues; repealing Laws 1973, Chapter 461, as amended; and Laws 1977, Chapter 438, as amended.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2369 now on General Orders.

**H. F. No. 2023:** A bill for an act relating to waste management; establishing a waste management board and a legislative commission; establishing a state government resource recovery program; establishing solid waste planning assistance and demonstration programs; providing for the issuance of state waste management bonds; providing for the establishment of solid waste management districts; requiring hazardous waste management planning and development; establishing procedures for the review and approval of permits for waste facilities; authorizing debt; appropriating money; amending Minnesota Statutes 1978, Sections 116.06, Subdivisions 9, 10, 13, and by adding subdivisions; 116.07, Subdivisions 2, 4, 4a, and by adding subdivisions; 116.081, Subdivision 1; 116.101; 116.41; 400.03, Subdivision 1; 400.04; 400.06; 400.07; 400.13; 400.16; 400.161; 473.121, by adding a subdivision; 473.149; 473.502; 473.516; 473.801, Subdivision 1; 473.802; 473.803; 473.811; 473.813; 473.823, Subdivision 3, and by adding a subdivision; Chapter 400, by adding a section; and Chapter 473, by adding sections; repealing Minnesota Statutes 1978, Sections 116F.02, Subdivisions 3, 4, and 5; 116F.03; 116F.04; 116F.05, Subdivision 2; 400.03, Subdivisions 2 to 7; 473.121, Subdivisions 27 to 31c; 473.823, Subdivisions 1, 2, and 4; and Laws 1978, Chapter 728, Section 7.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1980 now in the Subcommittee on Bill Scheduling.

**REPORTS OF COMMITTEES**

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 2268, 2429, 1662 and 1443 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2268	2161				
2429	1562				
1662	1629				
1443	1457				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2268 be amended as follows:

Page 3, line 30, after "Subd. 2." to page 4, line 2, before "For" delete

*"With respect to specific transactions between a bank holding company and a state bank affiliate, the commissioner of banks shall have the authority to examine the records of such holding company that directly pertain to such transactions to the same extent such holding company were a state bank or trust company."* and insert:

*"The commissioner, upon determination that it is necessary for supervisory purposes to examine any bank holding company which controls one or more state banks, has the authority to examine a bank holding company to the same extent as if the bank holding company were a state bank or trust company; provided that the examination will be exclusive of subsidiary banks with national charters."*

And when so amended H. F. No. 2268 will be identical to S. F. No. 2161, and further recommends that H. F. No. 2268 be given its second reading and substituted for S. F. No. 2161, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2429 be amended as follows:

Page 2, lines 1 to 3, delete *"twice the amount of the interest thus paid from the bank or savings bank taking or receiving the interest,"* and insert *"an amount not exceeding five times the amount by which the rate charged exceeds the lawful rate and which is to be paid during the entire period of the obligation,"*

Page 2, line 4, after the period insert: *"If the loan or forbearance is for an indeterminate period, the damages recoverable under this section shall be an amount not exceeding five times the excess rate for a presumed period of one year or five times the excess interest paid or incurred, whichever is greater."*

And when so amended H. F. No. 2429 will be identical to S. F. No. 1562, and further recommends that H. F. No. 2429 be given its second reading and substituted for S. F. No. 1562, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1662 be amended as follows:

Page 2, delete lines 3 to 5

Page 2, line 10, delete the comma

Page 2, lines 14 and 15, delete ", with the exception of the coordinator of this program"

Page 2, line 24, after "commissioner" insert a period

Page 2, delete line 25

Page 3, line 11, delete ". All shared positions shall be" and insert a semicolon

Page 3, delete lines 12 and 13

Page 3, line 19, after "commissioner" insert ", the governor or the legislature,"

Page 3, line 26, delete "assist the commissioner in reporting" and insert "report"

Page 3, lines 28 and 29, delete ". The commissioner's report shall provide an evaluation of" and insert "on"

Page 3, line 30, before "clause" insert "subdivision 2,"

Page 3, line 31, delete "shall" and insert "to"

Page 4, lines 7 and 8, delete "rate of the appropriate shared-time percent" and insert "pro-rated share" and after "salary" insert "for each employee"

Page 4, line 16, delete "or Minnesota" and insert ", the"

Page 4, line 16, delete "as" and insert ", or the highway patrol retirement fund, whichever is"

Page 4, line 18, after "system" insert "or the highway patrol retirement fund"

Page 4, line 19, delete "Section" and insert "Sections"

Page 4, line 20, delete "credited on a fractional basis"

Page 4, delete lines 21 to 25 and insert "or 352B.01, Subdivision 3, whichever is applicable, with any salary paid for the fractional service credited on the basis of the rate of salary applicable for a full-time week or a full-time year, credited on a pro-rated basis;"

Page 4, lines 26 and 27, delete "rate of the appropriate shared-time percent" and insert "pro-rated share"

Page 4, line 31, delete the period and insert ", except that"

Page 4, line 32, delete "who elect such coverage"

Page 4, line 33, delete "the difference between" and insert "a pro-rated share of"

Page 5, delete line 1

Page 5, line 2, delete "the actual cost." and insert "of the coverage,"

Page 5, line 2, delete "percent" and insert "percentage"

Page 5, line 9, after "hospital" insert a comma

Page 5, lines 12 and 13, delete "the appropriate shared-time percent" and insert "a pro-rated share"

Page 5, line 16, delete "electing such coverage"

Page 5, line 18, delete "the appropriate shared-time percent" and insert "a pro-rated share"

Page 5, line 20, delete "whenever the" and insert a semicolon

Page 5, delete lines 21 to 27

Page 5, line 33, delete ", but shall be" and insert "; and"

Page 6, delete lines 1 and 2

Page 6, lines 4 and 5, delete "at a rate of the appropriate shared-time percent of those available" and after "to" insert "those of"

Page 6, line 7, delete the period and insert ", with"

Page 6, line 7, delete "by the employer"

Page 6, lines 8 and 9, delete "shall be equal to the appropriate share time percent of the full-time benefits" and insert "to be diminished in the same proportion"

Page 6, lines 11 and 12, delete "the appropriate shared-time" and insert "50"

Page 6, line 13, delete "the remaining" and insert "50"

Page 6, line 20, delete "Sections"

Page 6, delete lines 21 and 22

Page 6, line 23, delete "There" and insert "The sum of \$15,000"

Page 6, line 25, delete "7 the" and insert "9, to be available until June 30, 1981."

Page 6, delete lines 26 and 27

Page 6, line 29, delete "1 person" and insert ".5 persons"

And when so amended H. F. No. 1662 will be identical to S. F. No. 1629, and further recommends that H. F. No. 1662 be given its second reading and substituted for S. F. No. 1629, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1443 be amended as follows:

Page 2, lines 12 to 18, delete: *"The governor, in his selection of board members, shall give consideration to persons learned in the law, or persons who have engaged in the profession of public accounting, or persons who have experience as a provider or user of transportation services, as well as being representative of the general public."*

Page 2, lines 22 to 27, delete:

*"Subd. 4. [ADMINISTRATIVE SUPPORT.] The commissioner of transportation shall provide for the purchase of administrative assistance in the form of personnel and other administrative services from the resources available to the department of transportation as may be reasonably necessary to support the board's function."*

Re-number the remaining subdivisions

Page 4, line 31, before "HEARINGS" insert "TRANSPORTATION REGULATION BOARD;"

Page 6, line 20, to page 10, line 6, delete:

"Sec. 12. Minnesota Statutes, 1979 Supplement, Section 15A.081, Subdivision 1, is amended to read:

15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.] 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 July 1, 1980
	\$	\$
Administration, department of commissioner	44,000	47,000
Agriculture, department of commissioner	38,000	40,000
Commerce, department of commissioner of banks	34,000	36,500
commissioner of insurance	34,000	36,500
commissioner of securities	34,000	36,500
director of consumer services	28,000	30,000
Community college system chancellor	44,000	46,000

	Salary or Range	
	Effective July 1, 1979	Effective July 1, 1980
	\$	\$
Corrections, department of commissioner	42,000	45,000
ombudsman	33,000	35,000
Crime control planning board, executive director	33,000	35,000
Economic development, department of commissioner	34,000	36,000
Economic security, department of commissioner	43,000	45,000
Education, department of commissioner	43,000	45,000
Energy agency director	38,000	40,000
Finance, department of commissioner	48,000	50,000
Health, department of commissioner	47,000	49,000
Hearing examiners office chief hearing examiner	38,000	40,000
Higher education coordinating board executive director	40,000	42,000
Housing finance agency executive director	39,000	41,000
Human rights, department of commissioner	31,000	33,000
Indian affairs board executive director	27,000	29,000
Investment, board of executive secretary	42,000	44,000
Iron range resources and rehabilitation board commissioner	30,000	31,000
Labor and industry, department of commissioner	38,000	40,000
judge of the workers' compensation court of appeals	38,000	40,000
Mediation services, bureau of director	36,000	38,000

	Salary or Range	
	Effective July 1, 1979	Effective July 1, 1980
	\$	\$
Natural resources, department of commissioner	44,000	47,000
Personnel, department of commissioner	44,000	47,000
Planning agency director	43,000	45,000
Pollution control agency director	38,000	40,000
Public safety, department of commissioner	38,000	41,000
Public service, department of commissioner, public service commission	34,000	36,000
director	34,000	36,000
Public welfare, department of commissioner	44,000	48,000
Revenue, department of commissioner	44,000	47,000
State University system chancellor	44,000	46,000
Transportation, department of commissioner	44,000	48,000
<i>Transportation, regulation board, board member</i>		32,000
Veterans affairs, department of commissioner	31,000	33,000"
and insert:		

"Sec. 12. Minnesota Statutes 1978, Section 15A.081, Subdivision 1, is amended to read:

15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.] Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

	Base Salary or Range
Administration, department of commissioner	\$41,000

	Base Salary or Range
Agriculture, department of commissioner	36,000
Attorney general, office of deputy attorney general	23,000 - 42,000
Commerce, department of commissioner of banks	32,000
commissioner of insurance	32,000
commissioner of securities	32,000
executive secretary, commerce commission	27,000
Community college system chancellor	41,000
Corrections, department of commissioner	36,000
ombudsman	32,000
Crime prevention and control, governor's commission on executive director	32,000
Economic development, department of commissioner	32,000
Economic security, department of commissioner	41,000
Education, department of commissioner	41,000
Energy agency director	36,000
Finance, department of commissioner	45,000
Health, department of commissioner	41,000
Hearing examiners office chief hearing examiner	36,000
Higher education coordinating board executive director	36,000
Housing finance agency executive director	36,000
Human rights, department of commissioner	29,000
Indian affairs board executive director	25,000
Investment, board of executive secretary	41,000

	Base Salary or Range
Iron range resources and rehabilitation board commissioner	29,000
Labor and industry, department of commissioner	36,000
judge of the workers compensation court of appeals	36,000
director, mediation services	29,000
Natural resources, department of commissioner	41,000
Personnel, department of commissioner	41,000
Planning agency director	41,000
Pollution control agency director	36,000
Public safety, department of commissioner	36,000
Public service, department of commissioner, public service commission director	32,000 32,000
Public welfare, department of commissioner	41,000
Revenue, department of commissioner	41,000
State university system chancellor	41,000
Transportation, department of commissioner	41,000
<i>Transportation, regulation board, board member</i>	32,000
Veterans affairs, department of commissioner	29,000"

Page 28, after line 5, insert:

*"(11) Direct the repair, reconstruction or replacement of any inadequate or unsafe trackage, structure or facility."*

Page 38, line 3, delete *"by any political subdivision of the state"*

Page 45, line 26 to page 48, line 8, delete:

*"Sec. 57. Minnesota Statutes, 1979 Supplement, Section 221.011, Subdivision 22, is amended to read:*

Subd. 22. "Exempt carrier" means any carrier exempt from this chapter, or exempted from any other law or rule by the commissioner or ~~commission~~ board. The following are so exempt:

(a) Any person engaged in farming or in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25 mile radius from his home post office. Such carrier may transport other commodities within such area if the destination of each haul is a farm within the above described area. The owner of any truck operating under this provision shall imprint his name and address in prominent visible letters on the outside of the cab of his truck.

(b) Any occasional accommodation service beyond the 25 mile radius from his home post office by any person engaged in farming as his primary means of livelihood and actually residing on a farm and whose truck or trucks are licensed under provisions of section 168.013, subdivision 1c. Occasional accommodation service shall mean not in excess of six trips in any calendar year.

(c) Any person engaged in agricultural pursuits, who owns and uses a truck for transporting the products of his farm, or any person while engaged exclusively in the transportation of fresh vegetables from farms to canneries or viner stations, or from viner stations to canneries, or from canneries to canneries during the harvesting, canning or packing season, or potatoes, sugar beets, wild rice and rutabagas from the field of production to the first place of delivery or unloading, including but not limited to a processing plant, warehouse or railroad siding. This term shall also apply to a manufacturer, producer, dealer or distributor who, in the pursuit of his own business, owns and uses trucks for the purpose of transporting his own products, and shall apply to any person while engaged exclusively in the transportation of pulpwood, cord wood, mining timber, poles, posts, decorative evergreens, wood chips, sawdust, shavings and bark from the place where the products are produced to the point where they are to be used or shipped.

(d) Any person while exclusively engaged in the transportation of dirt and sod within an area having a 50 mile radius from his home post office.

(e) Any person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix or crushed rock to or from the point of loading or a place of gathering within an area having a 50 mile radius from his home post office or a 50 mile radius from the site of construction or maintenance of public roads and streets.

(f) Any person engaged in the transportation of household goods for the federal government or any agency thereof or the transportation of household goods for the state government or any agency thereof, where competitive bids are required by law shall be exempt from the provisions of section 221.161.

(g) Any person engaged in transporting property or freight, excepting household goods and petroleum products in bulk, when

the movement is entirely within the corporate limits of a city or between contiguous cities.

(h) Emergency vehicles such as ambulances, tow trucks, and hearses when carrying proper and legal warning devices.

(i) Any person engaged in delivery or spreading of agricultural lime.

(j) Any person engaged in transporting rubbish as defined in section 443.27.

(k) Any person engaged in the transportation of grain samples under such terms and conditions as the commissioner or commission board may prescribe.

(l) A motor vehicle, in this chapter referred to as a "commuter van," having a capacity of seven to 16 persons which is used principally to provide prearranged transportation of persons for a fee to or from their place of employment or to or from a transit stop authorized by a local transit authority which vehicle is to be operated by a person who does not drive the vehicle for his principal occupation but is driving it only to or from his principal place of employment, to or from a transit stop authorized by a local transit authority, or for personal use at other times by an authorized driver; provided, that commuter vans shall not be exempt from any provision of this chapter which by its terms explicitly applies to these vehicles."

And insert:

"Sec. 57. Minnesota Statutes 1978, Section 221.011, Subdivision 22, is amended to read:

Subd. 22. "Exempt carrier" means any carrier exempt from this chapter, or exempted from any other law or rule by the commissioner or commission board. The following are so exempt:

(a) Any person engaged in farming or in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25 mile radius from his home post office. Such carrier may transport other commodities within such area if the destination of each haul is a farm within the above described area. The owner of any truck operating under this provision shall imprint his name and address in prominent visible letters on the outside of the cab of his truck.

(b) Any occasional accommodation service beyond the 25 mile radius from his home post office by any person engaged in farming as his primary means of livelihood and actually residing on a farm and whose truck or trucks are licensed under provisions of section 168.013, subdivision 1, 1c paragraph 4a. Occasional accommodation service shall mean not in excess of six trips in any calendar year.

(c) Any person engaged in agricultural pursuits, who owns and uses a truck for transporting the products of his farm, or any person while engaged exclusively in the transportation of fresh

vegetables from farms to canneries or viner stations, or from viner stations to canneries, or from canneries to canneries during the harvesting, canning or packing season, or potatoes, sugar beets, wild rice and rutabagas from the field or production to the first place of delivery or unloading, including but not limited to a processing plant, warehouse or railroad siding. This term shall also apply to a manufacturer, producer, dealer or distributor who, in the pursuit of his own business, owns and uses trucks for the purpose of transporting his own products, and shall apply to any person while engaged exclusively in the transportation of pulpwood, cord wood, mining timber, poles, posts, decorative evergreens, wood chips, sawdust, shavings and bark from the place where the products are produced to the point where they are to be used or shipped.

(d) Any person while exclusively engaged in the transportation of dirt and sod within an area having a 50 mile radius from his home post office.

(e) Any person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix or crushed rock to or from the point of loading or a place of gathering within an area having a 50 mile radius from his home post office or a 50 mile radius from the site of construction or maintenance of public roads and streets.

(f) Any person engaged in the transportation of household goods for the federal government or any agency thereof or the transportation of household goods for the state government or any agency thereof, where competitive bids are required by law shall be exempt from the provisions of section 221.161.

(g) Any person engaged in transporting property or freight, excepting household goods and petroleum products in bulk, when the movement is entirely within the corporate limits of a city or between contiguous cities.

(h) Emergency vehicles such as ambulances, tow trucks, and hearses when carrying proper and legal warning devices.

(i) Any person engaged in delivery or spreading of agricultural lime.

(j) Any person engaged in transporting rubbish as defined in section 443.27.

(k) Any person engaged in the transportation of grain samples under such terms and conditions as the commissioner or ~~commission~~ board may prescribe.

(l) A motor vehicle, in this chapter referred to as a "commuter van," having a capacity of seven to 16 persons which is used principally to provide prearranged transportation of persons for a fee to or from their place of employment or to or from a transit stop authorized by a local transit authority which vehicle is to be operated by a person who does not drive the vehicle for his principal occupation but is driving it only to or from his principal place

of employment, to or from a transit stop authorized by a local transit authority, or for personal use at other times by an authorized driver; provided, that commuter vans shall not be exempt from any provision of this chapter which by its terms explicitly applies to these vehicles."

Page 75, line 15, delete "*of the board*,"

Page 75, line 16, strike "commission" and insert "*board*"

Amend the title as follows:

Page 1, line 9, delete "appropriating funds"

Page 1, line 10, after "Sections" insert "15A.081, Subdivision 1;"

Page 1, line 20, after "15" insert ", 22"

Page 1, lines 26 to 29, delete "and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 1; and 221.011, Subdivision 2;"

And when so amended H. F. No. 1443 will be identical to S. F. No. 1457, and further recommends that H. F. No. 1443 be given its second reading and substituted for S. F. No. 1457, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1655, 1763, 1841, 2090, and 2353 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1655	1685				
1763	1884				
1841	1683				
2090	2083				
2353	2025				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1655 be amended as follows:

Page 2, line 12, after "precipitation" insert "to be available until June 3, 1981"

Page 2, line 14, delete "\$52,283" and insert "\$53,000"

Page 2, line 16, delete "\$24,287" and insert "\$24,000"

Page 2, line 17, delete "\$23,430" and insert "\$23,000"

Page 2, delete lines 18 to 21

Page 2, line 27, delete "department" and insert "entity"

Page 2, line 30, delete "monies" and insert "moneys"

Page 3, delete lines 5 to 11

Page 3, line 12, delete "4" and insert "3"

And when so amended H. F. No. 1655 will be identical to S. F. No. 1685, and further recommends that H. F. No. 1655 be given its second reading and substituted for S. F. No. 1685, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1763 be amended as follows:

Page 1, line 18, delete "\$275,000,000" and insert "\$300,000,000"

And when so amended H. F. No. 1763 will be identical to S. F. No. 1884 and further recommends that H. F. No. 1763 be given its second reading and substituted for S. F. No. 1884, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1841 be amended as follows:

Page 1, line 9, delete the second "and" and insert "a representative"

Page 1, line 12, delete "senate rules committee" and insert "subcommittee on committees of the senate committee on rules and administration"

Page 1, line 22, after the first "the" insert "Minnesota historical society for the use of the"

Page 2, line 3, delete "shall expire" and insert "expires"

And when so amended H. F. No. 1841 will be identical to S. F. No. 1683, and further recommends that H. F. No. 1841 be given its second reading and substituted for S. F. No. 1683, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2090 be amended as follows:

Page 1, delete lines 6 to 13, and insert:

"Section 1. Minnesota Statutes 1978, Section 340.14, Subdivision 5, is amended to read:

Subd. 5. [SUNDAY SALES.] (a) Notwithstanding the provisions of subdivision 1, in any municipality establishments to which on sale licenses have been issued or hereafter may be issued for the sale of intoxicating liquors which are hotels or restaurants or clubs as defined in section 340.07, and which have facilities for serving not less than 30 guests at one time, may serve intoxicating liquors between the hours of 12 o'clock noon and 12 o'clock midnight on Sundays in conjunction with the serving of food.

(b) It is unlawful for any such establishment, directly or indirectly, to sell or serve such intoxicating liquors as provided in paragraph (a) above, without having first obtained a special license from the municipality therefor. Such special license may be issued by the governing body of the municipality for a period of one year and for such a fee as it shall determine, but not exceeding \$200. The special license may be revoked by the governing body, for cause. The provisions of section 340.112 shall apply to such license. Application for the special license shall be made to the governing body of the municipality in the same manner as application for other licenses to sell intoxicating liquor are made.

(c) This subdivision shall not apply to any municipality until authorized by the voters of the municipality voting on the question at a special election called for such purpose or at the general election in the municipality, the election to be conducted in accordance with the applicable provisions of the Minnesota election law. Provided, however, that municipal voter approval shall not be required *in the case of a license issued by a county board to a licensed premises located within unorganized territory*, in the case of major airports operated by public corporations created under sections 360.101 to 360.125, which are operated by such public corporations as terminals for regular, scheduled air passenger service where the lands or any part thereof constituting the same have been detached from cities under and pursuant to sections 360.126 to 360.132, nor in the case of common carriers licensed under the provisions of sections 340.11, subdivision 3, and 340.12 and any license to sell intoxicating liquors on Sunday issued to a common carrier by the commissioner of public safety shall, in addition to all other license fees, require the payment to the commissioner of public safety of a fee of \$50 per annum plus a fee of \$5 for each duplicate of said license required to be posted in each place where intoxicating liquor is sold by said common carrier."

Amend the title by striking it in its entirety and inserting:

"A bill for an act relating to intoxicating liquor; authorizing the issuance of Sunday sales licenses by county boards in unorganized territory without voter approval; amending Minnesota Statutes 1978, Section 340.14, Subdivision 5."

And when so amended H. F. No. 2090 will be identical to S. F. No. 2083, and further recommends that H. F. No. 2090 be given its second reading and substituted for S. F. No. 2083, and that the Senate file be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2353 be amended as follows:

Page 2, line 26, reinstate "of"

Page 3, line 31, delete "....." and insert "288,000"

Page 4, line 19, after "of" insert "*Minnesota Statutes, 1979 Supplement*," and capitalize "section" and "subdivision"

And when so amended H. F. No. 2353 will be identical to S. F. No. 2025, and further recommends that H. F. No. 2353 be given its second reading and substituted for S. F. No. 2025, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

#### SECOND READING OF HOUSE BILLS

H. F. Nos. 2268, 2429, 1662, 1443, 1655, 1763, 1841, 2090 and 2353 were read the second time.

#### MOTIONS AND RESOLUTIONS

Mr. Johnson moved that the name of Mr. Penny be added as co-author to S. F. No. 1844. The motion prevailed.

Mr. Rued moved that the names of Messrs. Chmielewski and Ashbach be added as co-authors to S. F. No. 2137. The motion prevailed.

Mr. Moe moved that H. F. No. 251 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Moe moved that H. F. No. 1710 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Moe moved that H. F. No. 2019 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Moe moved that H. F. No. 2045 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Perpich moved that S. F. No. 386, No. 81 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Luther moved that H. F. No. 1837, No. 25 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

Mr. Frederick moved that S. F. No. 1764 be taken from the table. The motion prevailed.

S. F. No. 1764: A bill for an act relating to taxation; property tax; providing for uncontested hearings for property valuation; information to be included on valuation notices; clarifying the computation of agricultural aid credit; clarifying acreage available for homestead credit; prohibiting increases in valuation of property after appeals of market value; changing date for county board of equalization meeting and transfer of books to treasurer; changing penalty and interest rates; clarifying the role of administrative auditor in fiscal disparities; amending Minnesota Stat-

utes 1978, Sections 270.11, Subdivision 6; 273.121; 273.13, Subdivision 6a; 273.135, Subdivision 1; 274.01, Subdivision 1; 274.13, Subdivision 1; 274.14; 276.01; 279.01; 279.37, Subdivision 2; 282.01, Subdivisions 1 and 4; 282.222, Subdivision 4; 282.261; and 473F.08, by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 273.13, Subdivision 6; and 282.15; repealing Minnesota Statutes 1978, Sections 275.31; 275.32; 275.33; 275.34; 275.35; and 473F.08, Subdivisions 7 and 8.

### CONCURRENCE AND REPASSAGE

Mr. Frederick moved that the Senate concur in the amendments by the House to S. F. No. 1764 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1764 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Staples
Ashbach	Gearty	Lessard	Perpich	Stern
Bang	Gunderson	Luther	Peterson	Stokowski
Barrette	Hanson	McCutcheon	Pillsbury	Strand
Benedict	Hughes	Menning	Purfeerst	Stumpf
Bernhagen	Humphrey	Merriam	Renneke	Tennessee
Brataas	Johnson	Moe	Rued	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Schmitz	Ulland, J.
Coleman	Kirchner	Nichols	Setzepfandt	Vega
Davies	Kleinbaum	Ogdahl	Sikorski	Wegener
Dieterich	Knaak	Olhoft	Sillers	Willet
Dunn	Knoll	Olson	Solon	
Engler	Knutson	Omann	Spear	

So the bill, as amended, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 768 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S. F. NO. 768

A bill for an act relating to natural resources; requiring county board or land exchange board approval on the acquisition of wild-life lands by the commissioner of natural resources; amending Minnesota Statutes 1978, Section 97.481.

March 25, 1980

The Honorable Edward J. Gearty  
President of the Senate

**The Honorable Fred C. Norton**  
**Speaker of the House of Representatives**

We, the undersigned conferees for S. F. No. 768, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 768 be further amended as follows:

Page 3, line 4, after "county" insert "*and the town officers in each town*"

Page 3, line 5, after "board" insert "*and the town officers*"

Page 3, line 7, delete "60" and insert "90"

Page 3, line 8, after "board" insert "*and the town officers*"

Page 3, lines 18 and 19, delete "60-90" and insert "90-day"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) William P. Luther, Robert M. Benedict, James Ulland

House Conferees: (Signed) Elliot C. Rothenberg, Tom Stoa, Adolph Kvam

Mr. Luther moved that the foregoing recommendation and Conference Committee Report on S. F. No. 768 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 768 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 42 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Ogdahl	Stern
Ashbach	Engler	Knaak	Olhott	Stokowski
Bang	Gearty	Knoll	Penny	Stumpf
Barrette	Gunderson	Knutson	Perpich	Tennessee
Benedict	Hughes	Lessard	Pillsbury	Ulland, J.
Bernhagen	Humphrey	Luther	Sikorski	Vega
Coleman	Johnson	McCutcheon	Solon	
Davies	Keefe, S.	Merriam	Spear	
Dieterich	Kirchner	Nelson	Staples	

Those who voted in the negative were:

Brataas	Laufenburger	Olson	Renneke	Sillers
Frederick	Menning	Omann	Rued	Strand
Hanson	Moe	Peterson	Schmitz	Wegener
Keefe, J.	Nichols	Purfeerst	Setzepfandt	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

**MOTIONS AND RESOLUTIONS—CONTINUED**

Mr. Moe moved that H. F. No. 2470 be taken from the table. The motion prevailed.

**SUSPENSION OF RULES**

Mr. Moe moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 2470 and that the rules of the Senate be so far suspended as to give H. F. No. 2470 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 2470. A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; authorizing purchase and sale of public lands and buildings; appropriating money.

H. F. No. 2470 was read the second time.

Mr. Moe moved to amend H. F. No. 2470 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [PUBLIC LAND AND BUILDINGS; GENERAL AND OTHER FUND APPROPRIATIONS.] The sums set forth in the column designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the state agencies indicated to be expended in accordance with the provisions of this act.

**SUMMARY**

CAPITOL COMPLEX	\$ 225,000
NATURAL RESOURCES	220,000
VETERANS AFFAIRS	310,000
EDUCATION	163,826
COMMUNITY COLLEGES	1,500,000
TRANSPORTATION	4,422,800
CORRECTIONS	372,736
PUBLIC WELFARE	1,703,000
MINNESOTA HISTORICAL SOCIETY	359,700
TOTAL	\$ 9,277,062
GENERAL FUND	4,764,262
GAME AND FISH FUND	90,000
TRUNK HIGHWAY FUND	4,422,800

## APPROPRIATIONS

## Sec. 2. [CAPITOL COMPLEX.]

To the commissioner of administration  
for the purposes specified in this section \$ 225,000

- (a) Replace break switches \$ 64,000
- (b) Replace carpet in governor's reception area 16,000
- (c) Elevate high voltage switch gear and transformers 135,000
- (d) Improve or repair ceremonial house 10,000

## Sec. 3. [NATURAL RESOURCES.]

To the commissioner of administration  
for the purposes specified in this section 220,000

- (a) Relocate Dentaybow shop and warehouse building to Little Fork forestry station 30,000
- (b) Replace well at Lanesboro hatchery 7,000

This appropriation is from the game and fish fund.

- (c) Construct office and warehouse for fisheries and forestry at Finland area headquarters 83,000

This appropriation is from the game and fish fund.

- (d) Install security fencing and improve road and parking surfaces at various sites 100,000

## Sec. 4. [VETERANS AFFAIRS.]

To the commissioner of administration  
for the purposes specified in this section 310,000

- (a) Purchase equipment for Minneapolis nursing facility 212,000

This appropriation is added to the appropriation in Laws 1976, Chapter 348, Section 3, Subdivision 1.

- (b) Demolish building at Hastings veterans home 35,000
- (c) Demolish buildings at Minneapolis veterans home 63,000

### Sec. 5. [EDUCATION.]

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section 163,826

Subd. 2. Minnesota School for the deaf 158,826

(a) Install two fire hydrants 16,000

(b) Repair roofs 127,826

(c) Install drainage tile at Frechette Hall 10,000

(d) Refinish gymnasium floor and replace supports where needed 5,000

Subd. 3. Minnesota Braille and Sight Saving School

Refinish gymnasium floor and replace supports where needed 5,000

### Sec. 6. [COMMUNITY COLLEGES.]

To the chancellor of the community college system for roof repairs, road repairs, landscaping, remodeling and miscellaneous maintenance 1,500,000

### Sec. 7. [TRANSPORTATION.]

To the commissioner of transportation for the purposes specified in this section 4,422,800

(a) Repair and improve facilities statewide 365,000

(b) Construct salt storage buildings—metro 350,000

(c) Construct electronic communications building 70,000

(d) Construct Morris headquarters building 2,323,000

(e) Construct addition to Golden Valley office 994,000

This appropriation includes \$88,000 to provide space for the highway patrol at the Golden Valley office.

(f) New building contingency 320,800

The appropriation in Laws 1978, Chapter 791, Section 8, Subdivision 4, Clause (b) may be used for planning, design,

and preliminary development of a consolidated truck station servicing the Dakota county area. "Preliminary development" includes land acquisition, site development, utility extension, and other on site activities required preparatory to building construction for a consolidated facility as presented to the 1980 session of the legislature.

The appropriations in this section are from the trunk highway fund.

If the commissioner of transportation does not have sufficient money to match all available federal aid for road and bridge construction during the biennium ending June 30, 1981, the commissioner shall defer the construction of some or all of the buildings in this section until it is possible to match all available federal aid.

#### Sec. 8. [CORRECTIONS.]

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

372,736

Subd. 2. Minnesota Correctional Facility—Red Wing

Resurface roads and parking lots

28,000

Subd. 3. Minnesota Correctional Facility—Lino Lakes

56,000

(a) Security cameras

22,400

(b) Repair water tank

33,600

Subd. 4. Minnesota Correctional Facility—Stillwater

259,280

(a) Laundry renovation

91,280

(b) Tuckpointing

168,000

Subd. 5. Minnesota Correctional Facility—St. Cloud

29,456

(a) Recarpet dining room

16,016

(b) Paint water tower

13,440

#### Sec. 9. [PUBLIC WELFARE.]

Subdivision 1. To the commissioner of administration for the purposes more

specifically described in the following subdivisions of this section.		1,703,000
Subd. 2. Furniture and carpeting		500,000
Subd. 3. Demolition of buildings		150,000
Notwithstanding any law to the contrary, the commissioner of public welfare shall demolish any old or obsolete buildings immediately using any present or prior appropriations available.		
Subd. 4. Oak Terrace State Nursing Home		70,000
(a) Roof repairs	65,000	
(b) Road resurfacing	5,000	
Subd. 5. Anoka State Hospital emergency generator		180,000
Subd. 6. Brainerd State Hospital		88,000
(a) Road and parking lot repairs	28,000	
(b) Security improvements to building 1	12,000	
(c) Security improvements to building 22	48,000	
Subd. 7. Cambridge State Hospital Emergency electrical power		15,000
Subd. 8. Faribault State Hospital Emergency battery lighting		85,000
Subd. 9. Fergus Falls State Hospital Road and parking lot repairs		65,000
Subd. 10. Moose Lake State Hospital Roof repairs for buildings 1, 2, 3, 4, 51, 52 and 60		174,000
Subd. 11. Rochester State Hospital Replace boiler controls, renovate elevators in buildings PS 2 and Medical 2, repair roads		133,000
Subd. 12. St. Peter State Hospital		173,000
(a) Reroof machine shop and laundry building	142,000	
(b) Electrical improvements to campus buildings and improve water treatment system	31,000	

Subd. 13. Willmar State Hospital  
Roof repairs for cottage 1, pump house,  
and porches 70,000

**Sec. 10. [MINNESOTA HISTORICAL SOCIETY.]**

To the Minnesota historical society for  
the purposes specified in this section 359,700

(a) Interior and exterior restoration  
at Hill House 135,000

(b) Improve energy conservation at  
historic houses 12,000

(c) Construct museum exhibit staging  
and patron area 37,700

(d) Storage and relocation of collec-  
tion items 175,000

This appropriation is for the rental of  
storage space in the Mechanic Arts  
School building and the relocation of  
collection items to that space.

**Sec. 11. [REVIEW OF BUILDING PLANS.]** The commissioner of administration and the commissioner of transportation shall not prepare final plans and specifications for any construction or major remodeling authorized by this act until the using agency or department has presented the program and schematic plans to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

**Sec. 12. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]** Upon the awarding of final contracts for the completion of any project for construction or other permanent improvement authorized by this act, the commissioner of administration as to appropriations made to him and the commissioner of transportation as to appropriations made to him may transfer any unencumbered balance in the project account to any other project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. The commissioner shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.

**Sec. 13. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]** The commissioner of administration and the commissioner of transportation shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the

project authorization shall be made only after the commissioner of administration has consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Sec. 14. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Amend the title by deleting it and inserting:

"A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; authorizing purchase and sale of public lands and buildings; appropriating money."

The motion prevailed. So the amendment was adopted.

Mr. Moe moved that H. F. No. 2470 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the General Orders Calendar. The motion prevailed.

#### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 1752, 514, 620, 1582, 2128, 2337, 2170, 2217, 1638, 2182, 2389, 750 and H. F. Nos. 1435, 1272, 1684, 1765, 1286, 1742, 1794, 1145, 2067 and 2122, which the committee recommends to pass.

S. F. No. 1735, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 1053, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 1870, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

S. F. No. 2210, which the committee recommends be re-referred to the Committee on Taxes and Tax Laws.

S. F. No. 2253, which the committee recommends be re-referred to the Committee on Governmental Operations.

S. F. No. 992, which the committee recommends be re-referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

H. F. No. 1818, which the committee recommends to pass with the following amendments offered by Messrs. Lessard and Bernhagen:

Mr. Lessard moved to amend H. F. No. 1818, as amended pursuant to Rule 49, adopted by the Senate March 26, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1785.)

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1978, Section 97.49, is amended by adding a subdivision 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 from each deer license issued by the commissioner shall be used for the purpose of deer habitat improvement.”*

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 2, after the first semicolon insert “providing that a portion of deer license fees shall be used for deer habitat improvement;”

Page 1, line 4, delete “Section” and insert “Sections 97.49, by adding a subdivision; and”

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend H. F. No. 1818, as amended pursuant to Rule 49, adopted by the Senate March 26, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1785.)

Page 2, after line 7, insert:

“Sec. 2. Minnesota Statutes 1978, Section 98.47, Subdivision 7, is amended to read:

*Subd. 7. No license to trap beaver shall be issued to any person to whom a fur buyer's license shall have been issued and in force, and No license 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 household, or employee, engaged in the business of conducting a summer resort.*

*Sec. 3. Section 2 of this act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "restrictions upon the taking and possession of certain fur bearing animals;"

Page 1, line 4, delete "Section" and insert "Sections 98.47, Subdivision 7; and"

The motion prevailed. So the amendment was adopted.

S. F. No. 2283, which the committee recommends to pass with the following amendment offered by Mr. Setzepandt:

Page 2, line 32, delete everything after "hearing" and insert a period

Page 2, delete line 33

Page 3, delete lines 1 and 2

Page 3, line 3, delete the new language

The motion prevailed. So the amendment was adopted.

H. F. No. 1956, which the committee recommends to pass with the following amendments offered by Messrs. Knutson, Davies and Johnson:

Mr. Knutson moved to amend H. F. No. 1956 as follows:

Page 7, after line 33, insert:

"Sec. 9. Laws 1980, Chapter 373, Section 8, is amended to read:

*Sec. 8. This act is effective May 1, 1980 except that for a contract for deed executed prior to May 1, 1980, a notice required by section 6 is not required until July 1, 1980."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, before "repealing" insert "and Laws 1980, Chapter 373, Section 8;"

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend H. F. No. 1956 as follows:

Page 7, after line 33, insert:

*"Sec. 9. The commissioner of banks is empowered to issue quit claim deeds in connection with loans made by the now defunct department of rural credit, a former state agency. The commissioner shall issue the quit claim deeds upon reasonable evidence the state of Minnesota no longer has a valid claim of title to the property involved. No fee shall be charged for the issuance of a quit claim deed."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "funds;" insert "empowering the commissioner of banks to clear certain title defects involving a defunct state agency;"

The motion prevailed. So the amendment was adopted.

Mr. Johnson moved to amend the amendment placed on H. F. No. 1956 by the Committee on Judiciary, adopted by the Senate March 19, 1980, as follows:

Page 7, after line 17, insert:

"Sec. 9. Minnesota Statutes 1978, Section 541.024, Subdivision 1, is amended to read:

541.024 [LIMITATION OF ACTIONS AFFECTING TITLE TO OR POSSESSION OF TAX FORFEITED LANDS.] Subdivision 1. As against a real estate title based upon or derived from a county auditor's certificate of forfeiture, or auditor's certificate of sale or state assignment certificate which has been of record for at least ten *four* years in the office of the county recorder or in the office of the registrar of titles, no action affecting the possession or title of the real estate shall be commenced on or after June 15, 1978, to enforce any adverse right, claim, interest, incumbrance or lien, based upon the alleged invalidity of the county auditor's certificate of forfeiture, or auditor's certificate of sale or state assignment certificate."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "508.79;" delete "and"

Page 1, line 9, after "508.82;" insert "and 541.024, Subdivision 1;"

The motion prevailed. So the amendment was adopted.

H. F. No. 1731, which the committee recommends to pass with the following amendment offered by Mr. Vega:

Page 2, after line 6, insert:

"Sec. 2. [DEFINITIONS.] Subdivision 1. For the purposes of sections 2 to 7, the terms defined in this section have the meanings given them.

Subd. 2. "Agricultural labor" shall mean field labor associated with the cultivation and harvest of fruits or vegetables and work performed in processing fruits and vegetables for market.

Subd. 3. "Migrant worker" means an individual, 17 years of age or older, who travels more than 100 miles to Minnesota from some other state to perform seasonal agricultural labor in Minnesota.

Subd. 4. "Employer" means a grower or processor of fruits or vegetables that employs more than 30 migrant workers per day for more than seven days in any calendar year.

**Subd. 5.** "To recruit" means to induce an individual, either directly or indirectly through an agent or recruiter, to travel to Minnesota to perform agricultural labor by an offer of employment or of the possibility of employment.

**Subd. 6.** "Recruiter" means an individual or person other than an employer that for a fee, either for itself or for another individual or person, solicits, hires, or furnishes migrant workers, excluding members of an individual recruiter's immediate family, for agricultural labor to be performed for an employer in this state. "Recruiter" does not include a public agency providing employment services.

**Sec. 3. [STATEMENT OF HIRE.] Subdivision 1. [TERMS.]** An employer that recruits any migrant worker shall cause to be provided to the migrant worker, at the time the worker is recruited, a written statement of hire which shall state clearly and plainly, in English and Spanish:

(1) The date on which and the place at which the statement was completed and provided to the migrant worker;

(2) The name and permanent address of the migrant worker, of the employer, and of the recruiter or agent who recruited the migrant worker;

(3) The date on which the migrant worker is to arrive at the place of employment, the date on which employment is to begin, the approximate hours of employment, and the minimum period of employment;

(4) The crops and the operations on which the migrant worker will be employed;

(5) The wage rates to be paid;

(6) The payment terms provided in section 4; and

(7) Any deduction to be made from wages.

**Subd. 2. [CONTRACT.]** The statement of hire is an enforceable contract between the migrant worker and the employer.

**Sec. 4. [PAYMENT TERMS.] Subdivision 1.** Each migrant worker who is recruited by an employer is entitled to payment in accordance with this section.

**Subd. 2.** The employer shall pay wages due to the migrant worker at least every two weeks.

**Subd. 3.** The employer shall guarantee to offer to each migrant worker a minimum of 50 hours of work in any two week pay period and shall pay the worker for the difference between 50 hours of work and the number of hours of work actually offered by the employer in that two week period. The work which is guaranteed shall be the same as or similar to the kind of work specified in the statement of hire. Payment for the guaranteed hours shall be at the hourly wage rate, if any, specified in the statement of hire or the federal minimum wage, whichever is greater. This guarantee applies for the minimum period of employment specified in the

*statement of hire beginning with the day after arrival at the place of work or the date on which the migrant worker is to arrive at the place of employment as specified in the statement of hire, whichever occurs later. If the minimum period of employment begins or ends in the middle of a calendar week, the portion of each calendar week including at the beginning or end of the period shall be considered a calendar week if it includes at least four calendar days.*

*Subd. 4. If the migrant worker quits or is fired for cause prior to the completion of the operation for which he was hired, the migrant worker is entitled to no further guarantee under subdivision 3 from that employer. If the migrant worker quits or is fired for cause before the completion of a two week pay period, he is entitled to no guarantee for that period.*

*Subd. 5. If on any day for which work is offered the migrant worker refuses or because of illness or disability is unable to perform work which is offered, the employer may reduce the guarantee available in that two week pay period by the number of hours of work actually offered by the employer that day.*

*Subd. 6. The employer shall provide a written statement at the time wages are paid clearly itemizing each deduction from wages.*

**Sec. 5. [RECORD KEEPING.]** *Every employer subject to the provisions of this act shall maintain complete and accurate records of the hours worked by every migrant worker recruited by such employer, and shall preserve the records for a period of at least three years.*

**Sec. 6. [CIVIL ACTIONS.]** *Subdivision 1. Any migrant worker claiming to be aggrieved by a violation of sections 3 to 5 may bring a civil action for damages and injunctive relief against his employer.*

*Subd. 2. If the court finds that any defendant has violated the provisions of sections 3 to 5, the court shall forthwith enter judgment for the actual damages incurred by the plaintiff or liquidated damages as provided by this subdivision, whichever is greater. The amount of liquidated damages shall be as follows:*

*(1) Whenever the court finds that an employer has violated the record keeping requirements of section 5 or whenever the court finds that an employer has recruited a migrant worker without providing a written statement of hire as provided in section 3, subdivision 2, \$250;*

*(2) Whenever the court finds that an employer has recruited a migrant worker after having provided a written statement of hire, but finds that the statement of hire fails to comply with the requirement of section 3, subdivision 1 or section 4 of this act, \$250;*

*(3) Whenever the court finds that an employer has failed to comply with the terms of a statement of hire which he has provided to a migrant worker or has failed to comply with any payment term required by section 4, \$250; and*

(4) *Whenever liquidated damages are awarded, they shall be awarded severally in favor of each migrant worker plaintiff and against each defendant found liable.*

**Sec. 7. [USE OF WAGNER-PEYSER SYSTEM.]** *An employer who uses the federal work clearance order system under the Wagner-Peyser Act of 1933, 48 Stat. 113, as amended, is deemed to recruit the migrant workers who are thereby induced to travel to Minnesota to perform agricultural labor. The provisions of sections 2 to 6 shall not be construed to prohibit the use of the work clearance order system by any employer who recruits migrant workers; but use of the federal work clearance order system by an employer that recruits migrant workers shall not excuse the employer from compliance with the provisions of sections 2 to 6.*

**Sec. 8. [EFFECTIVE DATE.]** *Sections 2 to 7 are effective November 1, 1980."*

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "operators" and insert "requiring employers of migrant agricultural laborers to provide statements of hire to recruited migrant workers and to pay those workers according to certain terms; providing for enforcement by private course of action; providing for licenses for operators of certain agricultural equipment and show boilers and for inspection of such equipment and boilers"

The motion prevailed. So the amendment was adopted.

H. F. No. 1768, which the committee recommends to pass with the following amendment offered by Mr. Renneke:

Amend H. F. No. 1768, as amended pursuant to Rule 49, adopted by the Senate March 26, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1134.)

Page 1, line 14, after "of" insert "either of"

Page 1, line 15, delete "considered together"

The motion prevailed. So the amendment was adopted.

H. F. No. 1451, which the committee recommends to pass with the following amendment offered by Mr. Anderson:

Amend H. F. No. 1451, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 2291.)

Page 2, line 33, delete "Southwest" and insert "Southeast"

Page 4, line 31, delete "right" and insert "sight"

The motion prevailed. So the amendment was adopted.

H. F. No. 1190, which the committee recommends to pass with the following amendment offered by Mr. Penny:

*Page 9, line 20, after the period insert "Vehicles owned and operated by elderly and needy persons under contract with the commissioner of transportation pursuant to section 160.282 for maintenance services on highway rest stop and tourist centers outside the seven county metropolitan area as defined in section 473.122, may also use these crossovers while those persons are proceeding to or from work in the rest area or tourist center if authorized by the commissioner, and the vehicle carries on its roof a distinctive flag designed and issued by the commissioner."*

The motion prevailed. So the amendment was adopted.

S. F. No. 994, which the committee recommends to pass with the following amendments offered by Messrs. Wegener and Sieloff:

Mr. Wegener moved to amend S. F. No. 994 as follows:

Page 13, line 21, delete "Section" and insert "Sections 82.22, Subdivision 13; and"

Page 13, line 22, delete "is" and insert "are"

Amend the title as follows:

Page 1, line 11, delete "Section" and insert "Sections 82.22, Subdivision 13; and"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend S. F. No. 994 as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1978, Section 82.22, Subdivision 13, is amended to read:

Subd. 13. [ CONTINUING EDUCATION. ] (a) After July 1, 1978, all real estate salespersons not subject to or who have completed the educational requirements contained in subdivision 6 and all real estate brokers shall be required to successfully complete 45 hours of real estate education, either as a student or a lecturer, in courses of study approved by the commissioner, within three years after their annual renewal date.

(b) For the purposes of administration, the commissioner shall classify by lot, the real estate brokers and salespersons subject to (a) above, in three classifications of substantially equal size. The first class shall complete 15 hours of approved real estate study between July 1, 1978 and June 30, 1979 inclusive. The second class shall complete 30 hours of approved real estate study between the dates of July 1, 1978 and June 30, 1980 inclusive. The third class shall complete 45 hours of approved real estate study between the dates of July 1, 1978 and June 30, 1981. After the first period, each class shall complete the prescribed educational requirements during successive three year periods.

(c) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision. *Real estate salespersons and real estate brokers who are also attorneys licensed to practice before this state's supreme court may apply their hours of continuing legal education in whole or in part related to real estate and approved by the state board of continuing legal education toward their required hours of real estate education.*

*Sec. 2. Section 1 applies to all hours of continuing legal education earned from and after July 1, 1978."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "allowing legal education courses to substitute for real estate education courses under certain circumstances;"

Page 1, line 7, delete "Section" and insert "Sections 82.22, Subdivision 13;"

The motion prevailed. So the amendment was adopted.

H. F. No. 1302, which the committee recommends to pass with the following amendment offered by Mr. Tennesen:

Amend the amendment placed on H. F. No. 1302 by the Committee on Commerce, adopted by the Senate March 20, 1980, as follows:

Before Section 3, insert:

*"Sec. 3. Minnesota Statutes, 1979 Supplement, Section 48.185, Subdivision 2, is repealed."*

Amend the title as follows:

Page 1, line 5, after "Subdivision 1" insert:

*"; repealing Minnesota Statutes, 1979 Supplement, Section 48.185, Subdivision 2"*

The motion prevailed. So the amendment to the amendment was adopted.

S. F. No. 1340, which the committee recommends to pass with the following amendment offered by Mr. Kleinbaum:

Page 6, line 18, after "miles" insert "*; provided that if the vehicle is hauling ready-mix concrete and the distance to the scales, when added to the distance from origin of the load to the destination of the load, exceeds 25 miles, the maximum distance the vehicle may be required to be driven to a scale for weighing is five miles"*

The motion prevailed. So the amendment was adopted.

S. F. No. 1986, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 2, line 31, delete "this" and insert "sections 1 and 2"

Page 2, line 32, delete "act"

Page 2, after line 33, insert:

"Sec. 4. *WHEREAS, Sixty-three years ago, the Nation declared war on Germany and Austria in defense of freedom of the seas and over four and one-half million young Americans left their jobs and classrooms to help win the war that was "To make the World safe for Democracy"; and,*

*WHEREAS, a large percentage of these veterans are house-bound and in need of care; NOW, THEREFORE,*

*BE IT RESOLVED by the Legislature of the State of Minnesota, that Congress pay the debt that America owes these needy, aged, veterans by enacting H. R. 1918 into law.*

*BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is instructed to transmit enrolled copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to the Minnesota Senators and Representatives in Congress.*

*Sec. 5. The sum of \$5,000 is appropriated from the general fund to the department of veterans' affairs for the purpose of establishing a suitable memorial to Minnesota's war dead in Memorial Hall at Arlington National Cemetery. The funds are available until expended."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "monument;" insert "authorizing a memorial to Minnesota's war dead in Arlington National Cemetery; memorializing Congress to pass H. R. 1918, a service pension for veterans of World War One and their surviving spouses;"

The motion prevailed. So the amendment was adopted.

H. F. No. 1816, which the committee recommends to pass with the following amendments offered by Messrs. Solon and Sikorski:

Mr. Solon moved to amend H. F. No. 1816, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1944.)

Page 3, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "401.02, Subdivision 3;"

The motion prevailed. So the amendment was adopted.

Mr. Sikorski moved to amend H. F. No. 1816, as amended pursuant to Rule 49, adopted by the Senate March 24, 1980, as follows:

(The text of the amended House File is identical to S. F. No. 1944.)

Page 12, after line 33, insert:

"Sec. 23. Laws 1978, Chapter 693, Section 2, is amended to read:

Sec. 2. [EFFECTIVE DATE.] *This act Laws 1978, Chapter 693 is permanently effective upon its approval by the board of commissioners of Washington county and compliance with Minnesota Statutes, Section 645.021 and expires two years after that date.*

Sec. 24. *Section 23 is effective upon approval by the governing body of Washington County and compliance with Minnesota Statutes, Section 645.021."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, before "repealing" insert "Laws 1978, Chapter 693, Section 2;"

The motion prevailed. So the amendment was adopted.

H. F. No. 644, which the committee recommends to pass with the following amendment offered by Mr. Strand:

Page 6, after line 15, insert:

"Sec. 6. Minnesota Statutes 1978, Chapter 214, is amended by adding a section to read:

[214.15] [TRADE REGULATION.] *Notwithstanding any other law to the contrary, members of occupations regulated by the licensing boards may advertise, but advertisements must not be inconsistent with rules relating to advertising format and substance which each board is herewith empowered to adopt if that board had statutory advertising limitations on the effective date of the rules. A board may adopt rules relating to minimum fees, splitting of fees, referral fees, compensation, hours of practice, or other practice limitations, but only if (a) the governor or the board had specific statutory limitations or specific statutory authority to adopt the rules on the effective date of the rules, (b) the rules are not inconsistent with other law and (c) the rules are immediately and directly related to the protection of the safety and well-being of citizens of the state."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after the semicolon insert "providing for rules on advertising by licensed professionals;"

Page 1, line 18, delete "Chapter" and insert "Chapters"

Page 1, line 19, after "section" insert "; and 214 by adding a section"

The motion prevailed. So the amendment was adopted.

H. F. No. 1790 which the committee recommends to pass, subject to the following motion:

Mr. Johnson moved to strike the Rule 49 amendment to H. F. No. 1790 adopted by the Senate on March 24, 1980 and further amend H. F. No. 1790 as follows:

Page 1, line 15, delete "erected" and insert "permitted"

Page 1, line 15, delete "a local park" and insert "the park, site or area"

Page 1, line 18, delete "that owns the local park"

Page 1, after line 19, insert:

"Sec. 2. [TRAVEL INFORMATION FRANCHISE PROGRAM.] *Subdivision 1. The commissioner of transportation shall establish a franchise program to lease space within tourist information centers and safety rest areas for the purpose of providing information to travelers through travel-related commercial and public service advertising.*

*Subd. 2. The program may, in its initial phase, utilize space within existing publicly owned buildings and shelters in safety rest areas and tourist information centers. This phase shall be operational by May 1, 1981. Franchises for this phase shall be ready to let by January 1, 1981.*

*Subd. 3. The program may also include franchises for the construction, operation and maintenance of additional information structures by the franchisee at his expense on state owned lands within safety rest or tourist information center areas. All structures constructed by the franchisee shall meet or exceed specifications prescribed by the commissioner of transportation and shall satisfy the requirements of the state building code for accessibility by the physically handicapped. All structures shall be designed to enhance their site and shall be aesthetically compatible with the natural environment.*

*Subd. 4. The commissioner shall determine the sites to be included in this program and shall also determine if the advertising display at each site is to be inside or outside of any buildings or shelters.*

Sec. 3. [COMMISSIONER OF TRANSPORTATION TO GRANT FRANCHISES.] *Subdivision 1. The commissioner of transportation, by public negotiation or bid, shall grant franchises for the purposes of section 2. Each franchise agreement shall include the safety rest areas and tourist information centers in a geographical area comprising approximately one-quarter of the*

*land area of the state. The franchise agreement shall insure that the franchisee provide services throughout the area in as many tourist information centers and safety rest areas as are reasonably necessary for the convenience of travelers.*

*Subd. 2. The commissioner of transportation shall require the franchisee to obtain liability insurance in an amount prescribed by the commissioner jointly insuring the state and the franchisee against any and all liability for claims for damage occurring wholly or partly because of the existence of the franchise.*

*Subd. 3. The franchise agreement may provide that a percentage of the gross revenues derived from advertising shall be paid to the state for deposit in the trunk highway fund.*

**Sec. 4. [ADDITIONAL FRANCHISE PROVISIONS.]** *Subdivision 1. Each franchise agreement shall contain the following provisions:*

*(a) The franchisee shall comply with 23 CFR 252 and subsequent revisions pertaining to privately operated information systems;*

*(b) At least 40 percent of the commercial advertising space shall be offered initially for a reasonable period of time to local advertisers who provide services for travelers within a 60 mile radius of the safety rest area or tourist information center;*

*(c) The franchisees shall make appropriate marketing efforts in an attempt to lease at least 40 percent of the commercial advertising space to local advertisers; and*

*(d) Reasonable performance standards, and maintenance standards for structures constructed by the franchisee.*

*Subd. 2. The franchise agreement shall impose limitations on advertising space within state owned buildings or on state owned property in safety rest areas and tourist information centers.*

*Subd. 3. The commissioner of transportation may require additional reasonable terms and conditions to be included in the franchise agreement, including but not limited to, provisions governing the renewal and termination of the agreement, and in the event of termination, the rights of the state and the franchisee in advertising contracts and in buildings constructed by the franchisee.*

**Sec. 5. Minnesota Statutes 1978, Section 160.08, Subdivision 7, is amended to read:**

**Subd. 7. [NO COMMERCIAL ESTABLISHMENT WITHIN RIGHT-OF-WAY.]** *No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly owned or publicly-leased land acquired or used for or in connection with, a controlled access highway, except that structures may be built within safety rest and tourist information center areas and space within state owned buildings in*

*those areas may be leased for the purpose of providing information to travelers through commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 4.*

Sec. 6. Minnesota Statutes 1978, Section 161.23, Subdivision 3, is amended to read:

Subd. 3. [LEASING.] The commissioner may lease for the term between the acquisition and sale thereof and for a fair rental rate and upon such terms and conditions as he deems proper, any excess real estate acquired under the provisions of this section, and any real estate acquired in fee for trunk highway purposes and not presently needed therefor. All rents received from the leases shall be paid into the state treasury. Seventy percent of the rents shall be credited to the trunk highway fund. The remaining thirty percent shall be paid to the county treasurer where the real estate is located, and shall be distributed in the same manner as real estate taxes. *This subdivision does not apply to real estate leased for the purpose of providing commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 4.*

Sec. 7. Minnesota Statutes 1978, Section 161.433, Subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION FOR USE.] The consideration paid for the use of air space or subsurface areas shall be determined by the commissioner, but in no event shall it be less than a fair rental rate, and shall include costs for the erection and maintenance of any facilities or other costs occasioned by that use. All moneys received shall be paid into the trunk highway fund. *This subdivision does not apply to real estate leased for the purpose of providing commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 4.*

Sec. 8. Minnesota Statutes 1978, Section 161.434, is amended to read:

161.434 [RIGHT OF WAYS OF INTERSTATE AND TRUNK HIGHWAYS; LIMITED LAND USE.] The commissioner may also make such arrangements and agreements as he deems necessary in the public interest for the limited use of land owned as interstate or trunk highway right of way, which use shall be for highway purposes, including aesthetic purposes, but not including the erection of permanent buildings, *except buildings or structures erected for the purpose of providing information to travelers through commercial and public service advertising pursuant to franchise agreements as provided in sections 2 to 4.* The commissioner shall secure the approval of the appropriate federal agency where such approval is required."

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for a travel information franchise program, and prescribing the powers

and duties of the commissioner of transportation in relation thereto;"

Page 1, line 5, delete "Section" and insert "Sections 160.08, Subdivision 7; 161.23, Subdivision 3; 161.433, Subdivision 2; 161.434; and"

The motion prevailed. So the amendment was adopted.

S. F. No. 723, which the committee recommends to pass with the following amendment offered by Mrs. Staples:

Page 4, line 13, reinstate the stricken "who did not"

Page 4, lines 14 to 16, reinstate the stricken language

Page 5, line 6, reinstate the stricken language

Page 5, delete lines 7 to 11

Page 6, delete section 4

Page 6, line 10, delete "5" and insert "4"

Page 6, line 12, delete "this act" and insert "sections 1 to 3"

Amend the title as follows:

Page 1, line 9, delete everything after "Subdivision 1" and insert a period

Page 1, delete lines 10 to 12

The motion prevailed. So the amendment was adopted.

S. F. No. 2100, which the committee recommends to pass with the following amendments offered by Messrs. Knoll and Davies:

Mr. Knoll moved to amend S. F. No. 2100 as follows:

Page 2, after line 17, insert:

"Subd. 3. No person shall sell for use in a dwelling place building materials subject to the written disclosure requirement of subdivision 1 unless the seller has provided to the purchaser a copy of the written disclosure provided by the manufacturer. No person shall for gain install or use in a dwelling place building materials subject to the written disclosure requirement of subdivision 1 unless the installer or user has provided to the person on whose behalf the materials are installed or used a copy of the written disclosure provided by the manufacturer."

Renumber the subdivisions in sequence

The motion prevailed. So the amendment was adopted.

Mr. Knoll then moved to amend S. F. No. 2100 as follows:

Page 3, after line 7 insert:

"Subd. 6. Any person who is found in violation of subdivisions 1 to 3 shall be deemed in violation of section 325.79, subdivision 1, and the provisions of section 325.907 shall apply."

The motion prevailed. So the amendment was adopted.

Mr. Davies moved to amend S. F. No. 2100 as follows:

Page 3, after line 7, insert:

"Sec. 3. [DEFINITIONS.] Subdivision 1. As used in sections 3 to 9, the terms defined in these sections have the meanings given them, unless the context requires otherwise:

Subd. 2. "Improper means" includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means;

Subd. 3. "Misappropriation" means:

(i) acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(ii) disclosure or use of a trade secret of another without express or implied consent by a person who

(A) used improper means to acquire knowledge of the trade secret; or

(B) at the time of disclosure or use, knew or had reason to know that his knowledge of the trade secret was

(I) derived from or through a person who had utilized improper means to acquire it;

(II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or

(III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

(C) before a material change of his position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

Subd. 4. "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

Subd. 5. "Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

Sec. 4. [INJUNCTIVE RELIEF.] (a) Actual or threatened misappropriation may be enjoined. Upon application to the court, an injunction shall be terminated when the trade secret has

ceased to exist, but the injunction may be continued for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation.

(b) If the court determines that it would be unreasonable to prohibit future use, an injunction may condition future use upon payment of (1) an equitable royalty for no longer than the period of time the use could have been prohibited; or (2) other compensation.

(c) In appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order.

**Sec. 5. [DAMAGES.]** (a) In addition to or in lieu of injunctive relief, a complainant may recover damages for the actual loss caused by misappropriation. A complainant also may recover for the unjust enrichment caused by misappropriation that is not taken into account in computing damages for actual loss.

(b) If willful and malicious misappropriation exists, the court may award exemplary damages in an amount which the court deems just and equitable.

**Sec. 6. [ATTORNEY'S FEES.]** If (i) a claim of misappropriation is made in bad faith, (ii) a motion to terminate an injunction is made or resisted in bad faith, or (iii) willful and malicious misappropriation exists, the court may award reasonable attorney's fees to the prevailing party.

**Sec. 7. [PRESERVATION OF SECRECY.]** In an action under sections 3 to 9, a court shall preserve the secrecy of an alleged trade secret by reasonable means, which may include granting protective orders in connection with discovery proceedings, holding in-camera hearings, sealing the records of the action, and ordering any person involved in the litigation not to disclose an alleged trade secret without prior court approval.

**Sec. 8. [STATUTE OF LIMITATIONS.]** An action for misappropriation must be brought within three years after the misappropriation is discovered or by the exercise of reasonable diligence should have been discovered or the purposes of this section, a continuing misappropriation constitutes a single claim.

**Sec. 9. [EFFECT ON OTHER LAW.]** (a) Sections 3 to 9 displace conflicting tort, restitutionary, and other law of this state pertaining to civil liability for misappropriation of a trade secret.

(b) Sections 3 to 9 do not affect:

(1) contractual or other civil liability or relief that is not based upon misappropriation of a trade secret; or

(2) criminal liability for misappropriation of a trade secret.

**Sec. 10. [SHORT TITLE.]** Sections 3 to 9 may be cited as the "Uniform Trade Secrets Act."

**Sec. 11. [TIME OF TAKING EFFECT.]** Sections 3 to 9 of this

act take effect on August 1, 1980, and do not apply to misappropriation occurring prior to the effective date.”

Renumber the remaining section in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “enacting the uniform trade secrets act;”

The motion prevailed. So the amendment was adopted.

H. F. No. 1835 which the committee recommends to pass, subject to the following motion:

Mr. Laufenburger moved that the amendment made to H. F. No. 1835 by the Committee on Rules and Administration in the report adopted March 24, 1980, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 1837 which the committee reports progress, subject to the following motion:

Mr. Willet moved to amend H. F. No. 1837 as follows:

Page 2, after line 6, insert:

“Sec. 3. Minnesota Statutes 1978, Chapter 79, is amended by adding a section to read:

[79.172] [INFORMATION REQUIRED IN PETITION.] *Subdivision 1. The commissioner shall not adopt or modify any schedule of workers' compensation rates nor shall he grant any hearing for modification of a schedule of rates except on a petition of the rating association which sets forth the information required pursuant to section 79.171 in the form and detail required pursuant to subdivision 2.*

*Subd. 2. The rating association shall include in any petition requesting a hearing for modification of the schedule of rates a statement that sets forth the following information:*

*(a) The incurred but not reported losses of its members for each of the ten policy years preceding the policy year in which the petition is filed, calculated as of the first report and the fifth report (if the fifth year has occurred) following the policy year to which the losses apply. The losses shall be for the members' Minnesota workers' compensation business only.*

*(b) The paid and outstanding losses of its members for each of the ten policy years preceding the policy year in which the petition is filed, calculated as of the first report and the fifth report (if the fifth year has occurred) following the policy year to which the losses apply. The losses shall be for the members' Minnesota workers' compensation business only. Paid and outstanding losses shall be stated separately.*

*(c) The capital and surplus of its members attributable to the members' workers' compensation business in Minnesota.*

(d) *The total amount of assets set aside by its members to balance their liabilities for all outstanding losses and all incurred but not reported losses as of December 31 of the year preceding the year in which the petition is filed, and the same information as of December 31 of each of the four preceding years. The amounts shall be calculated for the members' Minnesota workers' compensation business only.*

(e) *The Minnesota workers' compensation premium volume of its members for each of the five years preceding the year in which the petition is filed.*

(f) *The average return on invested capital and surplus of its members for each of the five years preceding the year in which the petition is filed.*

(g) *The average return on invested assets as described in clause (d) for each of the five years preceding the year in which the petition is filed.*

*Subd. 3. Any petition of the rating association now on file with the commissioner for a hearing for modification of the current schedule of rates which does not set forth the information required pursuant to subdivisions 1 and 2, and on which any hearing or other proceeding is in progress on the effective date of this section, is void and without effect. Any such petition shall not be amended to set forth any of the information required pursuant to subdivisions 1 and 2 which was not set forth when the original petition was filed. Any hearing or other proceeding based upon such a petition is terminated and the matter shall not be reheard or reconsidered. In order to protect the interests of the public and of persons who may intervene in any hearing in which the modification of a schedule of rates is considered, an entirely new proceeding shall be commenced under this chapter including a new contested case proceeding when the commissioner accepts any new petition for modification of a schedule of rates filed after the effective date of this section."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "prohibiting changes in workers' compensation insurance rates until a new petition is filed by the rating association containing certain information;"

Page 1, line 7, before the period insert "; and Chapter 79, by adding a section"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 52 and nays 8, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Engler	Hughes	Keefe, S.
Ashbach	Chmielewski	Gearty	Humphrey	Kirchner
Barrette	Coleman	Gunderson	Johnson	Kleinbaum
Benedict	Dunn	Hanson	Keefe, J.	Knaak

Lessard	Olson	Rued	Staples	Ulland, J.
Luther	Omann	Schmitz	Stern	Vega
Merriam	Penny	Setzepfandt	Stokowski	Wegener
Moe	Perpich	Sikorski	Strand	Willet
Nelson	Peterson	Sillers	Stumpf	
Nichols	Purfeerst	Solon	Tennessee	
Olhoff	Renneke	Spear	Ueland, A.	

Those who voted in the negative were:

Bang	Davies	Frederick	Pillsbury	Sieloff
Brataas	Dieterich	Knutson		

The motion prevailed. So the amendment was adopted.

H. F. No. 1837 was then progressed.

Mr. Coleman moved that the report of the Committee of the Whole, as kept by the Secretary, be now adopted.

Mr. Tennessee requested that the report on S. F. No. 994 be divided out.

Mr. Ashbach requested that the report on H. F. No. 1731 be divided out.

The question was taken on the adoption of the motion of Mr. Coleman as to the balance of the report. The motion prevailed.

The question was taken on the adoption of the report on S. F. No. 994.

The roll was called, and there were yeas 23 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Johnson	Penny	Schmitz	Vega
Bernhagen	Kleinbaum	Perpich	Sieloff	Wegener
Chmielewski	Merriam	Purfeerst	Solon	Willet
Gunderson	Nelson	Renneke	Stokowski	
Hughes	Olson	Rued	Strand	

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Moe	Sillers
Barrette	Engler	Knaak	Olhoff	Spear
Benedict	Frederick	Knoll	Omann	Staples
Brataas	Garty	Knutson	Peterson	Stern
Coleman	Hanson	Lessard	Pillsbury	Stumpf
Davies	Keefe, J.	Luther	Setzepfandt	Tennessee
Dieterich	Keefe, S.	McCutcheon	Sikorski	Ulland, J.

The motion did not prevail. So the report on S. F. No. 994 was not adopted.

The question was taken on the adoption of the report on H. F. No. 1731.

The roll was called, and there were yeas 42 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Coleman	Garty	Hughes	Keefe, S.
Benedict	Davies	Gunderson	Humphrey	Kleinbaum
Chmielewski	Dieterich	Hanson	Johnson	Knoll

Lessard	Nichols	Purfeerst	Staples	Vega
Luther	Olhoft	Schmitz	Stern	Wegener
McCutcheon	Olson	Setzepfandt	Stokowski	Willet
Merriam	Penny	Sikorski	Strand	
Moe	Perpich	Solon	Stumpf	
Nelson	Peterson	Spear	Tennessee	

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Renneke	Ulland, J.
Bang	Engler	Knaak	Rued	
Barrette	Frederick	Knutson	Sieloff	
Bernhagen	Jensen	Omann	Sillers	
Brataas	Keefe, J.	Pillsbury	Ueland, A.	

The motion prevailed. So the report on H. F. No. 1731 was adopted.

Without objection, the Senate reverted to the Order of Business of Messages from the House.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 2134: A bill for an act relating to natural resources; providing for analysis of hydroelectric generating capacity of publicly owned dams; clarifying provisions relating to the administration of and authorization for dam repair and reconstruction grants; authorizing the employment of a person to administer grants; appropriating money; amending Minnesota Statutes 1978, Section 105.482, Subdivisions 1 and 4; Minnesota Statutes, 1979 Supplement, Section 105.482, Subdivisions 3 and 5a; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5.

Senate File No. 2134 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 27, 1980

Mr. Willet moved that the Senate do not concur in the amendments by the House to S. F. No. 2134 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 702: A bill for an act relating to health; requiring counties to establish local nursing home pre-admission screening teams; prescribing duties of the teams and the commissioner of public welfare; appropriating money; amending Minnesota Statutes 1978, Chapter 256B, by adding a section.

Senate File No. 702 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 27, 1980

Mrs. Staples moved that the Senate do not concur in the amendments by the House to S. F. No. 702 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Moe moved that S. F. No. 2394, No. 30 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Moe moved that S. F. No. 2400, No. 32 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

#### RECESS

Mr. Coleman moved that the Senate do now recess until 8:00 o'clock p.m. The motion prevailed.

The hour of 8:00 o'clock p.m. having arrived, the President called the Senate to order.

Pursuant to Rule 21, Mr. McCutcheon moved that the following members be excused for a Conference Committee on H. F. No. 1121:

Messrs. Sillers, Johnson, Hanson, Peterson and McCutcheon. The motion prevailed.

#### CALL OF THE SENATE

Mr. Johnson imposed a call of the Senate. The following Senators answered to their names:

Anderson	Dieterich	Kleinbaum	Olson	Spear
Ashbach	Dunn	Knoll	Penny	Stern
Bang	Engler	Knutson	Perpich	Stumpf
Barrette	Gearty	Lessard	Peterson	Tennessee
Benedict	Gunderson	Luther	Purfeerst	Ulland, J.
Bernhagen	Hanson	McCutcheon	Rued	Vega
Brataas	Johnson	Moe	Schmitz	Willet
Chmielewski	Keefe, J.	Nelson	Setzepfandt	
Coleman	Keefe, S.	Ogdahl	Sikorski	
Davies	Kirchner	Olhoft	Sillers	

The Sergeant at Arms was instructed to bring in the absent members.

Without objection, the Senate reverted to the Order of Business of Messages from the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1690, 1749, 1997, 2195, 1772, 1811, 1922 and 1541.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 27, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1962: A bill for an act relating to the environment; altering the procedure for environmental review; providing for alternative forms of environmental review; amending Minnesota Statutes 1978, Section 116D.04, by adding subdivisions; repealing Minnesota Statutes 1978, Section 116D.04, Subdivisions 1, 2, 3, 4, and 5.

Senate File No. 1962 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 27, 1980

### CONCURRENCE AND REPASSAGE

Mr. Dunn moved that the Senate concur in the amendments by the House to S. F. No. 1962 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1962 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Luther	Perpich	Spear
Ashbach	Gearty	McCutcheon	Peterson	Stern
Bang	Gunderson	Merriam	Purfeerst	Strand
Barrette	Hanson	Moe	Renneke	Stumpf
Benedict	Hughes	Nelson	Rued	Tennessee
Bernhagen	Johnson	Ogdahl	Schmitz	Ulland, J.
Chmielewski	Kirchner	Olhoft	Setzepfandt	Vega
Coleman	Kleinbaum	Olson	Sieloff	Willet
Dieterich	Knutson	Omann	Sikorski	
Dunn	Lessard	Penny	Sillers	

So the bill, as amended, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 210: A bill for an act relating to education; providing and regulating certain mobility incentives for certain teachers in the community colleges and state universities; amending Minnesota Statutes 1978, Sections 354.094, Subdivisions 1, 2 and 5; 354.66, Subdivisions 1, 7, 9 and 10, and by adding subdivisions; 354.69; Minnesota Statutes, 1979 Supplement, Sections 354.094, Subdivision 3; and 354.66, Subdivision 2.

Senate File No. 210 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives  
Returned March 27, 1980

### CONCURRENCE AND REPASSAGE

Mr. Hughes moved that the Senate concur in the amendments by the house to S. F. No. 210 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 210: A bill for an act relating to education; providing and regulating certain mobility incentives for certain teachers in the community colleges and state universities; assisting with the development of additional rural health cooperatives; amending Minnesota Statutes 1978, Sections 354.094, Subdivisions 1, 2, and 5; 354.66, Subdivisions 1, 6, 7, 9 and 10, and by adding subdivisions; 354.69; Minnesota Statutes, 1979 Supplement, Sections 354.094, Subdivision 3; and 354.66, Subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Lessard	Perpich	Spear
Ashbach	Gearly	Luther	Peterson	Stern
Barrette	Gunderson	McCutcheon	Pillsbury	Strand
Benedict	Hanson	Merriam	Purfeerst	Stumpf
Bernhagen	Hughes	Moe	Renneke	Tennessee
Brataas	Johnson	Nelson	Rued	Ueland, A.
Chmielewski	Keefe, S.	Ogdahl	Schmitz	Ulland, J.
Coleman	Kirchner	Olhoft	Setzpfandt	Vega
Davies	Kleinbaum	Olson	Sieloff	Willet
Dieterich	Knaak	Omann	Sikorski	
Dunn	Knutson	Penny	Sillers	

So the bill, as amended, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1141: A bill for an act relating to hearing impaired persons; establishing regional service centers and advisory committees; establishing a statewide interpreter referral service; providing for a program of training and employment; prescribing duties for the commissioner of public welfare; establishing an office on hearing impairment; providing for an advisory committee for the state council for the handicapped; prescribing duties for the department of health; providing for a study by the state planning agency; appropriating money.

Senate File No. 1141 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 27, 1980

Mr. Coleman moved that S. F. No. 1141 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 480: A bill for an act relating to public health; authorizing the funding of a statewide poison information center; giving grant and program monitoring responsibilities to the commissioner of health; appropriating money.

Senate File No. 480 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 27, 1980

Mr. Coleman moved that S. F. No. 480 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1813, 1981, 2035, 2149, 160, 902, 1138, 2100, 1603, 1847, 1942, 729, 1842, 2046 and 1201.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 27, 1980

### FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 1813: A bill for an act relating to public finance; authorizing the issuance of Minnesota state railroad assistance bonds; appropriating money; amending Minnesota Statutes, 1978, Chapter 222, by adding a section.

Referred to the Committee on Rules and Administration.

H. F. No. 1981: A bill for an act relating to public welfare; authorizing certain payments to shelter facilities for battered women; requiring direct payments to shelter facilities from general assistance; amending Minnesota Statutes 1978, Section 256D.05, Subdivision 3.

Mr. Nelson moved that H. F. No. 1981 be laid on the table. The motion prevailed.

H. F. No. 2035: A bill for an act relating to historic sites and monuments; adding property to Split Rock Lighthouse historic site; reestablishing Traverse des Sioux historic site as a state monument; appropriating funds; amending Minnesota Statutes 1978, Sections 138.025, Subdivision 10; and 138.585, by adding a subdivision; repealing Minnesota Statutes 1978, Section 138.55, Subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1986 now on the Calendar.

H. F. No. 2149: A bill for an act relating to public welfare; clarifying duties of the commissioner of public welfare regarding approval of public and private mental health centers and clinics for certain purposes; providing for additional rulemaking; appropriating money; amending Minnesota Statutes, 1979 Supplement, Section 245.69.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2003 now on General Orders.

H. F. No. 160: A bill for an act relating to welfare; changing income disregard provisions for certain medical assistance recipients and certain supplemental aid recipients; appropriating money; amending Minnesota Statutes 1978, Section 256D.37, Subdivision 2; Minnesota Statutes, 1979 Supplement, Sections 256B.06, Subdivision 1; and 256D.37, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 723 now on the Calendar.

H. F. No. 902: A bill for an act relating to pollution; establishing noise limits for motorboats; amending Minnesota Statutes 1978, Section 361.17.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1067 now on General Orders.

H. F. No. 1138: A bill for an act relating to local government; authorizing local governmental units to establish training programs for local government officials in conjunction with certain organizations; appropriating money; amending Minnesota Statutes 1978, Section 471.59, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 620 now on the Calendar.

H. F. No. 2100: A bill for an act relating to housing; providing the housing finance agency with authority to make grants and loans to certain sponsors of housing used for temporary shelter; appropriating money; amending Minnesota Statutes 1978, Sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

Referred to the Committee on Finance.

H. F. No. 1603: A bill for an act relating to welfare; clarifying certain provisions of the general assistance medical care program; establishing an earned income disregard work incentive in the general assistance program; making various other changes in the general assistance program; appropriating money; amending Minnesota Statutes 1978, Sections 256D.01; 256D.02, Subdivisions 4, 9, 10, 11, 12, and by adding a subdivision; 256D.03, Subdivisions 1 and 3; 256D.04; 256D.06, Subdivisions 1 and 2; 256D.08, Subdivision 2; 256D.09, Subdivision 1; 256D.10; 256D.11, Subdivisions 2, 3, 4, 5, 6, 7, 8 and 9; 256D.13, Subdivision 1; 256D.16; and 256D.18, Subdivisions 2 and 4; and Minnesota Statutes, 1979 Supplement, Sections 256D.03, Subdivision 2; 256D.07; and 256D.08, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1581 now in the Subcommittee on Bill Scheduling.

H. F. No. 1847: A bill for an act relating to public welfare; providing for a study of revisions to the nursing home rate reimbursement formula; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1883 now on General Orders.

H. F. No. 1942: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of vulnerable adults; requiring certain facilities to establish abuse prevention plans; establishing a penalty; appropriating money; amending Minnesota Statutes 1978, Section 245.813, by adding a subdivision; and Chapter 626, by adding a section; repealing Minnesota Statutes 1978, Sections 245.813, Subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; and 626.555.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1943 now on General Orders.

H. F. No. 729: A bill for an act relating to public welfare; increasing personal needs allowance for residents of certain facilities; restricting the use of allowances by third parties; providing for a civil action and damages; providing a penalty; appropriating money; amending Minnesota Statutes 1978, Section 256B.35.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 750 now on the Calendar.

H. F. No. 1842: A bill for an act relating to nuclear safety; providing for a nuclear power plant emergency response plan; providing for assessment of costs to nuclear power plants; requiring the departments of public safety and health to monitor, provide training, and prepare plans for nuclear power plant incidents; requiring a study; appropriating money; amending Minnesota Statutes 1978, Chapter 12, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 12.03, Subdivision 4; and 12.21, Subdivision 1.

Referred to the Committee on Finance.

H. F. No. 2046: A bill for an act establishing the Minnesota small business conference; providing for its organization, meetings and procedures; appropriating money.

Referred to the Committee on Finance.

H. F. No. 1201: A bill for an act relating to waters; providing for watercraft licensing and safe operation; altering certain definitions; changing license fees; authorizing a temporary certificate; stating the evidentiary effect of certain blood tests; altering certain safety requirements and motor noise limits; providing an outline for distributing water safety enforcement funds; appropriating money; amending Minnesota Statutes 1978, Sections 361.02, by adding subdivisions; 361.03, Subdivisions 3 and 12, and by adding a subdivision; 361.10; 361.12; 361.13, Subdivision 1; 361.141, Subdivision 1; 361.15, Subdivision 1; 361.16, Subdivision 1; 361.18; 361.20; 361.21, Subdivision 2, and by adding a subdivision; 361.215; 361.24; 361.27, Subdivision 1; and 361.29, Subdivision 4; repealing Minnesota Statutes 1978, Section 361.15, Subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2351 now on the Calendar.

#### REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe from the Committee on Finance, to which was referred

S. F. No. 1631: A bill for an act relating to energy; stating legislative energy policy; establishing a joint legislative commission on energy; providing grants and assistance for community energy planning; modifying certain need certification procedures; allowing certain utility expenses; expanding consumer repre-

sentation in certain energy hearings; appropriating money; amending Minnesota Statutes 1978, Sections 45.17, by adding subdivisions; 116H.01; Minnesota Statutes, 1979 Supplement, Section 116H.13, Subdivisions 3, 5, and 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [3.351] [LEGISLATIVE COMMISSION ON ENERGY.] Subdivision 1. [COMPOSITION.]** *The legislative commission on energy is composed of five senators of the majority party and three senators of the minority party appointed by the subcommittee on committees of the committee on rules and administration, and five representatives of the majority party and three representatives of the minority party appointed by the speaker of the house. The commission shall be appointed by June 1, 1980. The commission shall elect a chairman from among its members.*

**Subd. 2. [GENERAL DUTIES.]** *The commission shall:*

*(a) Make a continuing study of matters relating to energy supply and use in the state;*

*(b) Identify the potential for enhanced economic growth and job creation from increased energy efficiency and the production and utilization of renewable energy systems.*

*(c) Identify ways to assure the provision of necessary energy supplies to all Minnesotans;*

*(d) Coordinate resources and programs on energy conservation; and*

*(e) Review overall legislative policy concerning energy.*

**Subd. 3. [ENERGY PLAN; REPORT TO LEGISLATURE.]** *The commission shall develop legislative energy plans based on the provisions of subdivision 2 and consistent with appropriate long term energy goals for Minnesota. The plans shall be reported to the legislature no later than February 15 of each year.*

**Subd. 4. [STAFF.]** *The commission shall use existing legislative facilities and staff, but may request the legislative coordinating commission to provide additional support staff, office space, and administrative services. The commission may contract with state agencies and private individuals for research and services it may require.*

**Sec. 2. Minnesota Statutes 1978, Section 45.17, is amended by adding a subdivision to read:**

**Subd. 7.** *The consumer services section shall represent and further the interests of residential utility consumers through participation as an intervenor or interested party in federal proceedings relating to the regulation of: (a) wholesale rates for energy delivered through interstate facilities; or (b) fuel used in genera-*

tion of electricity or the manufacture of gas. The consumer services section may maintain, intervene in or otherwise participate in any civil actions relating to the federal proceedings. In performing its duties pursuant to this subdivision, the section shall follow the guidelines established pursuant to subdivision 6, clause (1).

Sec. 3. Minnesota Statutes 1978, Section 45.17, is amended by adding a subdivision to read:

*Subd. 8. The consumer services section shall represent and further the interests of residential utility consumers through presentation of its position regarding need and participation in the public hearing process in proceedings for the assessment of need for large energy facilities conducted pursuant to Minnesota Statutes, Chapter 15 and Minnesota Statutes, Sections 116H.01 to 116H.15, and may maintain, intervene in or otherwise participate in any civil actions relating to the proceedings. In performing its duties pursuant to this subdivision, the section shall follow the guidelines established pursuant to subdivision 6, clause (1).*

Sec. 4. Minnesota Statutes 1978, Section 116H.01, is amended to read:

116H.01 [FINDINGS AND PURPOSE.] The legislature finds and declares that the present rapid continued growth in demand for energy is in part due to unnecessary energy use, that a continuation of this trend will result in serious depletion of finite quantities of fuels, land and water resources, and threats to the state's environmental quality; that the state must incur consideration of urban expansion, transit systems; economic development, energy conservation and environmental protection in planning for large energy facilities; that there is a need to carry out energy conservation measures; and that energy planning, protection of environmental values, development of Minnesota energy sources, and conservation of energy require expanded authority and technical capability and a unified, coordinated response within state government.

The legislature seeks to encourage thrift in the use of energy; and to maximize use of energy efficient systems, thereby reducing the rate of growth of energy consumption, prudently conserving energy resources, and assuring statewide environmental protection consistent with an adequate, reliable supply of energy. will cause severe social and economic dislocations, and that the state has a vital interest in providing for: increased efficiency in energy consumption, the development and use of renewable energy resources wherever possible, and the creation of an effective energy forecasting, planning and education program.

The legislature further finds and declares that the protection of life, safety and financial security for citizens during an energy crisis is of paramount importance.

Therefore, the legislature finds that it is in the public interest to review, analyze and encourage those energy programs that will eliminate the need for annual increases in fossil fuel consumption

*by 1990 and the need for additional nuclear generating plants, and provide for an optimum combination of energy sources consistent with environmental protection and the protection of citizens.*

*The legislature intends to monitor through energy policy planning and implementation the transition from historic growth in energy demand to a period when demand for traditional fuels becomes stable and the supply of renewable energy resources is readily available and adequately utilized.*

Sec. 5. Minnesota Statutes 1978, Section 116H.087, is amended to read:

116H.087 [ENERGY CONSERVATION PUBLICITY.] *The director of the energy agency in consultation with the director of the housing finance agency other affected agencies or departments shall develop informational materials, pamphlets and radio and television messages on the energy conservation and housing programs available in Minnesota, renewable energy resources, and energy supply and demand. The pamphlets printed materials shall include information on available tax credits for residential energy conservation measures, residential retrofitting loan and grant programs, and data on the economics of energy conservation and renewable resource measures. Before the pamphlets printed material or media messages are released for general distribution they shall be reviewed by the appropriate standing committees of the legislature.*

Sec. 6. Minnesota Statutes 1978, Section 116H.12, Subdivision 11, is amended to read:

Subd. 11. No new residential

- (a) forced air type central furnace,
- (b) cooking appliance manufactured with an electrical supply cord, or
- (c) clothes drying equipment

*designed to burn natural gas equipped with a continuously burning pilot shall be sold or installed in Minnesota. This subdivision does not apply to forced air type furnaces designed for installation in mobile homes.*

Sec. 7. [116H.089] [COMMUNITY ENERGY PLANNING; GRANTS.] *Subdivision 1. [PURPOSE.] In order to improve the energy planning capabilities of local governments, the energy agency shall make grants to counties and cities, however organized. The energy agency when making grants shall give priority to those units of government that submit proposals that could result in significant savings of traditional energy sources, development of renewable energy systems, and broad citizen involvement. The grants may be used to purchase materials, employ staff or contract with other units of government or qualified consultants.*

*The director shall not make grants of more than 45 percent of the amount appropriated for those purposes to cities and counties*

*located within the seven county metropolitan area. A single grant to a city or county shall not exceed \$50,000.*

*Subd. 2. [QUALIFYING EXPENDITURES.] Community energy planning grants may be used for the following purposes:*

*(a) To gather, monitor, and analyze local energy supply, demand, and cost information;*

*(b) To prepare comprehensive community energy plans;*

*(c) To implement comprehensive energy plans that the unit of government is authorized to undertake for the management of problems resulting from: (1) rising energy cost; (2) lack of efficient public and private transportation; (3) lack of community conservation efforts; (4) lack of widespread renewable energy sources; and (5) lack of energy components in comprehensive plans and local ordinances;*

*(d) To assist neighborhood organizations in counties, and cities to do energy planning by making grants to the local unit of government; and*

*(e) Any other purposes deemed appropriate by the director of the energy agency.*

*Subd. 3. [ADMINISTRATION.] The energy agency shall determine priorities pursuant to subdivisions 1 and 2, and shall promulgate rules for the submission and review of applications in accordance with the provisions of chapter 15. For this purpose the energy agency may adopt temporary rules pursuant to the provisions of section 15.0412, subdivision 5.*

*Sec. 8. Minnesota Statutes 1978, Section 116H.129, Subdivision 5, is amended to read:*

*Subd. 5. [RESIDENTIAL ENERGY DISCLOSURE PROGRAM.] By March 1, 1979 1980, the commissioner of administration, in consultation with the director of the energy agency and the appropriate standing committees of the legislature, shall promulgate rules providing for residential energy disclosure requirements and shall approve forms for the purposes of this subdivision. The rules and forms shall provide only for the disclosure of structural characteristics, energy use characteristics relating to energy consumption and conservation, and the extent of compliance with standards adopted pursuant to subdivision 1. Nothing in the forms shall indicate or be deemed to indicate that the residence meets all state building code specifications.*

*Sec. 9. Minnesota Statutes, 1979 Supplement, Section 116H.13, Subdivision 7, is amended to read:*

*Subd. 7. Other state agencies authorized to issue permits for siting, construction or operation of large energy facilities, and those state agencies authorized to participate in matters before the Minnesota public service commission involving utility rates and adequacy of utility services, shall present their position regarding need and participate in the public hearing process prior to*

the issuance or denial of a certificate of need. Issuance or denial of certificates of need shall be the sole and exclusive prerogative of the director and said determinations and certificates shall be binding upon other state departments and agencies, regional, county and local governments and special purpose government districts except as provided in sections 116C.01 to 116C.08 and 116D.04, subdivision 9.

Sec. 10. [116H.17] [ENERGY AUDITS.] *The director of the energy agency, in cooperation with the director of consumer services, shall develop the state plan for the program of energy audits of residential and commercial buildings required by 42 United States Code, Section 8213.*

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 116H.22, is amended to read:

116H.22 [MONEY FOR SCHOOLS AND GOVERNING BODIES.] *Funds Money to pay part or all of the actual costs of mini-audits, maxi-audits and energy conservation measures performed by or for schools and governing bodies shall be available from legislative appropriations made for that purpose in accordance with the priorities established in section 116H.23. Money appropriated pursuant to this section is available to school districts and local governmental units that submitted acceptable mini-audits or maxi-audits after April 9, 1976 and before July 1, 1979.*

Sec. 12. [174.256] [PARK AND RIDE PROGRAM.] *Subdivision 1. [PURPOSE.] It is the purpose of this section to encourage citizens of Minnesota to transfer from low-occupancy vehicles to multi-occupancy vehicles, to reduce the use of the automobile and provide for more efficient usage of existing facilities in heavily traveled corridors and congested areas, to divert automobile drivers from parking spaces in metro areas, to decrease low-occupancy vehicle miles driven and the congestion, pollution, energy consumption, highway damage, and other costs associated with highway use, and to increase the efficiency and productivity of and benefit from public investments in public park and ride facilities and systems in the state, reducing the need for increases in urban land used for parking. It is also the purpose of this section to encourage the use of van pools, car pools, and ride sharing by the citizens of the state.*

*Subd. 2. [DEFINITIONS.] For purposes of this section the following terms have the meanings given them in this subdivision:*

(a) "Commissioner" means the commissioner of transportation.

(b) "Park and ride facility" means a facility consisting of a park and ride lot where commuters' automobiles are parked, and, within a reasonable walking distance, a station or some transfer point where commuters board the transit mode.

(c) "Transit mode" includes transportation by bus, car pool, van pool, and other similar services.

(d) "Exclusive use park and ride lot" means a parking lot that is intended to be used exclusively for park and ride purposes, is constructed with public money and is located within 100 miles of a central business district.

(e) "Joint use park and ride lot" means a parking lot that is intended to be used for other purposes in addition to park and ride and is located within 100 miles of a central business district.

(f) "Fringe parking lot" means a parking lot located outside but near a central business district.

**Subd. 3. [GENERAL POWERS AND DUTIES.]** The commissioner shall have the power to:

(a) Develop and monitor a comprehensive park and ride facility program throughout the state. The program shall coordinate and provide money for the development of a statewide program of park and ride facilities, including joint use park and ride lots, exclusive use park and ride lots, and fringe park and ride lots;

(b) Offer, use and apply the information developed pursuant to clause (a) to assist and advise political subdivisions and recipients of financial assistance in the planning, promotion, development, operation and evaluation of park and ride service facilities. The political subdivision or eligible recipient is responsible for the repair and maintenance of the facility by using local money;

(c) Act upon request as the designated agent of any eligible person for the receipt and disbursal of federal money;

(d) Contract for or provide services as needed in the design or construction of park and ride facilities; and

(e) Establish rules and regulations necessary for implementation of the program.

The commissioner shall perform the duties and exercise the powers under this section in coordination with and in furtherance of statewide, regional and local transportation plans and transportation development programs.

**Subd. 4. [ELIGIBILITY; APPLICATIONS.]** A statutory or home rule charter city, county, school district, independent board or agency is eligible to receive financial assistance through the park and ride grant program. Applications for grants shall be approved or denied by the commissioner within 120 days of receipt.

**Sec. 13. [EVALUATION AND REPORTS.]** The commissioner shall evaluate or contract for the evaluation of park and ride programs developed under the preceding section and submit a report to the legislature by January 15, 1981, including the following information:

(a) The amounts of money spent or obligated for the park and ride program by the commissioner and the persons receiving those amounts;

(b) *The number and type of public park and ride lots in use and a physical description of each;*

(c) *The types of lots in use, number of individuals served and areas covered;*

(d) *A comparison of the cost of providing different types of service;*

(e) *A review of the achievements or failures of the project, problems encountered in implementation and conclusions and recommendations concerning future action.*

Sec. 14. [174.257] [RIDE SHARING PROGRAM.] *The commissioner of transportation shall establish a ride sharing program in order to advise citizens of the available alternatives to travel by low occupancy vehicles and the benefits derived from sharing rides. The program shall provide citizens with necessary information and opportunities for sharing rides, encourage citizens to share rides, and assist citizens in obtaining access to shared rides. The program shall make use of existing services and agencies whenever possible. The program shall give priority to assisting employers who will implement employee ride sharing programs. The services provided by the program shall include, but not be limited to:*

(a) *Providing general information to potential ride sharing users;*

(b) *Establishing procedures for the implementation of ride sharing programs by individuals, groups, corporations or local agencies;*

(c) *Offering assistance to local governments and other political subdivisions in implementing ride sharing programs;*

(d) *Providing technical assistance to those individuals, groups, corporations or local agencies;*

(e) *Providing advice to individuals requesting assistance in finding ride sharing opportunities and programs;*

(f) *Providing van leasing, insurance, and management assistance to individuals and persons implementing ride sharing programs.*

Sec. 15. Minnesota Statutes, 1979 Supplement, Section 268.37, is amended to read:

268.37 [COORDINATION OF FEDERAL AND STATE RESIDENTIAL WEATHERIZATION PROGRAMS.] Subdivision 1. The department of economic security is the state agency to apply for, receive, and disburse federal money made available to the state by federal law or rules promulgated thereunder for the purpose of weatherizing the residences of low-income persons. The commissioner of economic security shall coordinate available federal money with any state money appropriated for this purpose.

Subd. 2. The commissioner shall make grants of federal and state money to community action agencies and other public or private nonprofit agencies for the purpose of weatherizing the residences of low-income persons. Grant applications shall be submitted in accordance with rules developed pursuant to 42 U.S.C., Sections 6861 to 6872, any other relevant federal weatherization program, and rules promulgated by the commissioner.

Subd. 3. The commissioner shall promulgate temporary rules as necessary to administer the grants program by July 1, 1979 and shall promulgate permanent rules by July 1, 1980. The rules shall describe: (a) procedures for the administration of grants, (b) data to be reported by grant recipients, and (c) other matters the commissioner finds necessary for the proper administration of the grant program including compliance with relevant federal regulations. Weatherization assistance shall be given to households where the total income does not exceed 125 percent of the poverty level as updated by the federal office of management and budget poverty guidelines.

Subd. 4. [SUPPLEMENTARY STATE GRANTS.] *The commissioner shall distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units feasible. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units.*

*Criteria for the allocation of state grants to local agencies include: (a) existing local agency production levels, (b) availability of CETA resources in the area, (c) emergency needs, and (d) the potential for maintaining or increasing acceptable levels of production in the area.*

*An eligible local agency may receive advance funding for 90 days' production, but thereafter shall receive grants solely on the basis of program criteria.*

Subd. 5. The commissioner shall submit reports to the legislature by March 1 of each year, 1980, and March 1, 1981 evaluating the weatherization program. The reports shall describe: (a) the number of households weatherized, (b) the average cost per household, (c) any change in energy consumption after weatherization, (d) outreach efforts, and (e) any other information the commissioner feels is relevant, including information routinely submitted to the federal government.

Sec. 16. [STATE PLAN FOR SPENDING FEDERAL MONEY.] *Subdivision 1. The governor shall submit to the appropriate federal agency a state delivery plan for money the state receives under the Federal Home Energy Assistance Act of 1980 that includes the following elements:*

*(a) Those households in which one or more individuals are eligible for (a) aid to families with dependent children, (b) supplemental security income payments, (c) food stamps, or (d) certain veteran's benefits as limited by the Home Energy Assis-*

tance Act of 1980 shall be categorically eligible for assistance under the state plan, and procedures for simplified application shall be developed.

(b) Users of wood as a primary heating source, whether the wood is purchased or not, shall be eligible for assistance if otherwise eligible under federal law.

(c) Grants under the state plan may be in the form of a direct payment to an eligible household or as a line of credit to an energy supplier. The plan shall describe the conditions under which direct payment is permitted.

(d) Eligible households that have medically necessary cooling costs, as limited by federal law, shall be eligible for assistance.

(e) The state plan shall provide that three percent of the federal money shall be set aside for the emergency uses specified in federal law.

Subd. 2. Before the state plan is submitted to the appropriate federal agency, the governor shall deliver the plan to the appropriate committees of the legislature for review and comment. Thereafter, the governor shall notify the committees of any changes made in the plan.

Sec. 17. [AVAILABILITY OF MATCHING FUNDS; POSITIONS.] Money appropriated by Extra Session Laws 1979, Chapter 2, Section 45, Subdivision 2, Clause (i) is available to match federal, local or private money for district heating systems when the federal or local government or private sources, or a combination thereof, issues a letter of intent to finance the project at the rate of at least \$3 for each \$1 of state money. Positions authorized by Extra Session Laws 1979, Chapter 2, Section 45, Subdivision 2, may be in the classified or unclassified service.

Sec. 18. [MINNESOTA BIOMASS CENTER.] Subdivision 1. The director of the energy agency, in consultation with the commissioner of agriculture, shall prepare a plan for the creation and organization of a Minnesota biomass center, to be delivered to the legislature by January 1, 1981.

The center shall be the focus of biomass energy activities for the state. To the maximum extent possible, the center shall coordinate its activities and the use of its staff and facilities with those of other entities involved in biomass energy projects.

Subd. 2. [RESPONSIBILITIES.] The center shall:

(1) Coordinate existing education and training programs for biomass energy production and use within the state and develop new programs where necessary. Educational programs shall cover all types of biomass energy production use, including but not limited to production from grain, biowaste, and cellulosic materials;

(2) Serve as a central information resource in conjunction with existing agencies and academic institutions in order to provide information to the public on the production and use of biomass

energy. The center shall obtain and analyze available information on biomass energy topics and prepare it for distribution to ensure that the public receives the most accurate and up-to-date information available;

(3) Participate in necessary research projects to assist in technological advancement in areas of biomass energy production, distribution, and use. The center shall also study the environmental and safety aspects of biomass energy use;

(4) Support and coordinate financing activities for biomass energy production, including providing technical assistance and manuals to individuals and groups seeking private, local, state or federal funding. The center shall be responsible for evaluating projects for any state assistance that may become available;

(5) Develop consumer information and protection programs for all aspects of biomass energy production and use;

(6) Investigate marketing and distribution needs within the state in cooperation with the department of economic development;

(7) Review state and federal laws and regulations affecting biomass energy production and use, and evaluate regulatory incentives in order to provide the legislature with legislative proposals for the encouragement of biomass energy production and use within the state.

**Sec. 19. [ETHANOL DEMONSTRATION PLANT.]** The University of Minnesota shall construct and operate a small scale plant for the production of ethanol at the west central experimental station, Morris. The plant shall produce ethanol from more than one resource. The plant shall operate for at least two years and shall be instrumented and monitored. The university shall determine the feasibility of utilization of byproducts produced by the plant. The plant shall be designed for easy replication by farmers. The university shall develop and print at least 5,000 copies of easily understandable plans and blueprints that demonstrate the construction of a small scale ethanol plant. The plans and blueprints shall be available at no cost from the agricultural extension service.

**Sec. 20. [APPROPRIATIONS.]** Subdivision 1. The sum of \$9,050,000 is appropriated from the general fund to the agencies and for the purposes indicated in this section, to be available for the fiscal year ending June 30 in the years indicated. Appropriations for fiscal year 1980 do not cancel but are available until June 30, 1981. Approved complement positions shall be in the unclassified service and for the balance of the biennium ending June 30, 1981 only.

	1980	1981
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<b>Subd. 2. LEGISLATIVE COORDINATING COMMISSION</b>	\$	100,000
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To pay the expenses incurred by the legislative commission on energy created in section 1.

**Subd. 3. ADMINISTRATION** \$ 250,000  
*This appropriation is for purchase or lease of commuter vans pursuant to section 16.756.*

**Subd. 4. ENERGY AGENCY** \$ 1,100,000  
*This appropriation is available for the following purposes:*

(a) *Expansion of the energy conservation information center established pursuant to Minnesota Statutes, Section 116H.085* \$ 80,000

*Approved complement—3*

(b) *For the purposes specified in section 18* \$ 50,000

*It is a condition of acceptance of the appropriation made in clause (f) that the agency shall submit a work program and progress reports in the form determined by the legislative commission on Minnesota resources. None of the moneys provided in this subdivision may be expended unless the commission has approved the pertinent work program.*

(c) *Development of state plan for energy audits for residential and commercial buildings pursuant to section 10.* \$ 70,000

*Approved complement—1*

(d) *To administer the grant program established by section 7 and to develop model community energy plans and ordinances of statewide applicability* \$ 40,000

*Approved complement—1*

(e) *For the community energy program grants established by section 7* \$ 750,000

*This appropriation is available until expended.*

(f) *Energy conservation publicity pursuant to section 5* \$ 50,000

*Approved complement—1*

(g) *Continued operation of fuel allocation program* \$ 60,000

*Approved complement—2*

**Subd. 5. TRANSPORTATION** \$ 400,000  
*This appropriation is available for the following purposes:*

- (a) *Park and Ride Program* . . . . . \$ 200,000  
 (b) *Ride Sharing Program* . . . . . \$ 200,000

**Subd. 6. ECONOMIC SECURITY**

*Weatherization of residences pursuant to section 15* . . . . . \$ 7,000,000

*Local administrative agencies may retain up to 7-½ percent of the appropriation in clause (f) for administrative costs. The state administrative agency may retain up to two percent of the appropriation in clause (f) for administrative costs.*

**Subd. 7. UNIVERSITY OF MINNESOTA** . . . . . \$ 200,000

*For construction and operation of a small scale ethanol plant at the west central experimental station at Morris and the production of plans and blue prints pursuant to section 19.*

**Sec. 21. [REPEALER.]** *Minnesota Statutes 1978, Sections 116H.125; and 325.986, Subdivisions 1 and 2, are repealed.*

**Sec. 22. [EFFECTIVE DATE.]** *This act is effective the day following final enactment. The provisions of section 1 shall expire on July 1, 1987."*

**Delete the title and insert:**

**"A bill for an act relating to energy; establishing a legislative commission on energy; stating energy policy; broadening the scope of state weatherization programs; expanding energy awareness programs; creating a Minnesota biomass center; providing for an ethanol demonstration plant; providing grants and assistance for community energy planning; expanding consumer representation in certain energy hearings; appropriating money; amending Minnesota Statutes 1978, Sections 45.17, by adding subdivisions; 116H.01; 116H.087; 116H.12, Subdivision 11; 116H.129, Subdivision 5; Minnesota Statutes, 1979 Supplement, Sections 116H.13, Subdivision 7; 116H.22; and 268.37; repealing Minnesota Statutes 1978, Sections 116H.125; and 325.986, Subdivisions 1 and 2."**

**And when so amended the bill do pass. Amendments adopted. Report adopted.**

**Mr. Moe from the Committee on Finance, to which was referred**

**S. F. No. 1980: A bill for an act relating to waste management; establishing a waste management board and a legislative commission; providing for a state government resource recovery program; providing for solid waste planning assistance and demonstration programs; providing for the issuance of state waste management**

bonds; providing for the establishment of solid waste management districts; requiring hazardous waste management planning and development; establishing procedures for the review and approval of permits for waste facilities; providing that certain solid waste disposal sites are not exempt from real property taxes; authorizing debt; appropriating money; amending Minnesota Statutes 1978, Sections 116.06, Subdivisions 9, 10, 13, and by adding subdivisions; 116.07, Subdivisions 2, 4, 4a, and by adding subdivisions; 116.081, Subdivision 1; 116.101; 116.41; 272.02, Subdivision 1; 400.03, Subdivision 1; 400.04; 400.06; 400.07; 400.13; 400.16; 400.161; 473.121, by adding a subdivision; 473.149; 473.502; 473.516; 473.802; 473.803; 473.811; 473.813; 473.823, Subdivision 3, and by adding a subdivision; Chapter 400, by adding a section; and Chapter 473, by adding sections; repealing Minnesota Statutes 1978, Sections 116F.02, Subdivisions 3, 4, and 5; 116F.03; 116F.04; 116F.05, Subdivision 2; 400.03, Subdivisions 2, 3, 4, 5, 6, and 7; 473.121, Subdivisions 27, 28, 29, 31, 31a, 31b, and 31c; 473.823, Subdivisions 1, 2, and 4; and Laws 1978, Chapter 728, Section 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 5, delete "VIII" and insert "VII"

Page 2, line 8, delete "VIII" and insert "VII"

Page 2, line 21, delete "VIII" and insert "VII"

Page 8, line 5, delete "VIII" and insert "VII"

Page 8, line 9, delete "VIII" and insert "VII"

Page 8, line 18, delete "and impact"

Page 8, lines 22 and 23, delete "the issuance of state waste management bonds in accordance with article VII" and insert "appropriations made to the board"

Page 8, line 26, delete "for that property" and insert "that provided the money used to acquire the property and to pay the cost of evaluating the eligibility of the property for inclusion in the inventory under section 6 or for candidacy under article II"

Page 10, line 4, delete "VIII" and insert "VII"

Page 13, line 7, delete "shall" and insert "may"

Page 17, line 26, delete "and approve"

Page 18, line 11, delete "VIII" and insert "VII"

Page 18, line 11, delete "IX" and insert "VIII"

Page 18, line 11, delete "X" and insert "IX"

Page 33, line 29, delete "XI" and insert "X"

Page 42, line 28, delete "VIII" and insert "VII"

Page 44, lines 11 and 12, delete "revenues derived from the

issuance of bonds authorized by article VII, section 2," and insert "money appropriated"

Page 45, line 9, delete "debt service account" and insert "state bond fund"

Page 45, line 18, delete "state treasurer" and insert "commissioner of finance"

Page 45, line 21, before the period insert ", not to exceed 20 years"

Pages 46 to 50, delete article VII

Page 51, line 19, delete "VIII" and insert "VII"

Page 51, line 27, delete "VIII" and insert "VII"

Page 51, line 29, delete "VIII" and insert "VII"

Page 51, line 30, delete "VIII" and insert "VII"

Page 53, line 14, delete "VIII" and insert "VII"

Page 53, line 18, delete "VIII" and insert "VII"

Page 55, line 12, delete "VIII" and insert "VII"

Page 55, line 17, delete "VIII" and insert "VII"

Page 55, line 27, delete "VIII" and insert "VII"

Page 55, line 33, delete "VIII" and insert "VII"

Page 56, line 4, delete "VIII" and insert "VII"

Page 66, line 15, delete "waste management" and insert "building"

Page 66, line 16, delete everything before "the"

Page 73, line 22, delete "VIII" and insert "VII"

Page 73, line 33, delete "VIII" and insert "VII"

Page 79, line 32, delete "X" and insert "IX"

Page 80, line 6, delete "X" and insert "IX"

Page 91, line 31, delete "X" and insert "IX"

Page 104, line 30, delete "X" and insert "IX"

Page 107, line 16, delete "X" and insert "IX"

Page 108, line 19, delete "X" and insert "IX"

Page 108, line 25, delete "X" and insert "IX"

Page 123, line 18, delete "XIII" and insert "XII"

Pages 124 to 126, delete sections 1 to 7 and insert:

"Section 1. [APPROPRIATION.] Subdivision 1. The sum of \$2,844,500 is appropriated from the general fund, and the sum of \$15,000,000 is appropriated from the state building fund, to the agencies and for the purposes indicated in this section. Except as otherwise indicated in this section, appropriations are from

*the general fund and are available for the fiscal year ending June 30, 1981. Appropriations from the state building fund are available until expended.*

**Subd. 2. LEGISLATIVE COMMISSION ON WASTE MANAGEMENT**

*The joint committee on solid and hazardous waste is abolished. Of the appropriations in Laws 1979, Chapter 333, Section 2, Subdivision 3, for the joint committee, \$100,000 of the appropriation for fiscal year 1980 and all of the appropriation for fiscal year 1981 are available for expenditure by the legislative commission on waste management.*

**Subd. 3. WASTE MANAGEMENT BOARD**

**\$17,364,500**

*This appropriation is available for the following purposes:*

*(a) General Operations and Management*

**847,500**

*Approved Complement — 17*

*These positions are in the unclassified service and their continuation is dependent upon the availability of money from appropriations in this subdivision. When these appropriations have been expended the positions shall be cancelled and the approved complement reduced accordingly.*

*(b) Acquisition of Sites and Buffer Areas for Hazardous Waste Facilities*

**6,200,000**

*This appropriation is from the state building fund, to be spent pursuant to article II, section 3, subdivision 4. Up to \$1,200,000 is available for expenditure before June 30, 1981 for costs of staff and independent professional services needed for the selection and acquisition of sites.*

*(c) Resource Recovery Facility Demonstration Program*

**8,800,000**

*This appropriation is from the state building fund, to be spent pursuant to article VI, sections 6 to 8. Up to \$100,000 is available for administration and technical and professional services.*

(d) *Planning Assistance and Demonstration Programs* 526,000

*This appropriation is to be spent pursuant to articles V and VI. Up to 20 percent is available for administration and technical and professional services.*

(e) *Metropolitan Waste Management* 991,000

*This appropriation is for a grant to the metropolitan council to implement chapter 473 and article IX. Up to five percent is available for administration. Up to \$65,000 is available to prepare reports by the council required by article IX, section 2, subdivisions 2a and 2c. The remainder is available for grants to metropolitan counties for solid waste inventories and plans required under chapter 473 and article IX.*

**Subd. 4. POLLUTION CONTROL AGENCY** 400,000

**Approved Complement — 8**

*These positions are in the unclassified service and their continuation is dependent upon the availability of money from this appropriation. When the appropriation has been expended the positions shall be cancelled and the approved complement reduced accordingly. This appropriation is to carry out responsibilities of the agency under articles II, III, IV, VIII, IX, and XI.*

**Subd. 5. ADMINISTRATION** 80,000

**Approved Complement — 3**

*Two of these positions are in the unclassified service and their continuation is dependent upon the availability of money from this appropriation. When the appropriation has been expended the two positions shall be cancelled and the approved complement reduced accordingly. This appropriation is for transfer to the general services revolving fund, resource recovery account, to be used by the commissioner of administration for the implementation and operation of the state government resources recovery program under article II, section 2.*

**Sec. 2. [BOND SALE; DEBT SERVICE.]** *To provide the*

*money appropriated in this act from the state building fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$15,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67 and by the Constitution, Article XI, Sections 4 to 7."*

Page 130, line 17, after the period insert "*Except as otherwise provided in this section, this act is effective the day following final enactment.*"

Page 130, line 17, delete "*VIII*" and insert "*VII*"

Page 130, line 17, delete "*IX*" and insert "*VIII*"

Page 130, line 18, delete "*X*" and insert "*IX*"

Renumber the articles in sequence

Amend the title as follows:

Page 1, line 7, delete "waste management"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe from the Committee on Finance, to which was referred

H. F. No. 1012: A bill for an act relating to housing; prohibiting unfair treatment in housing and real property on the basis of familial status; amending Minnesota Statutes 1978, Sections 363.01, Subdivision 24, and by adding subdivisions; 363.02, Subdivision 2; 363.03, Subdivision 2; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the report from the Committee on Judiciary, adopted by the Senate March 21, 1980, as follows:

Page 3, line 13, after "*building*" insert "*that is not part of a multi-building complex*"

Page 3, after line 32, insert:

"*Sec. 10. [APPROPRIATION.] The sum of \$80,000 is appropriated from the general fund to the commissioner of human rights for the purposes of this act to be available until June 30, 1981.*"

Renumber the remaining section

Amend the title of H. F. No. 1012 as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 2085, 2181, 1597, 1724, 2281, 1890, 2331, 1941, 2014, 2292, 1581, 2224, 1639, 376, 1906, 1154 and H. F. No. 1904 makes the following report:

That the above Senate Files and House File be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested. Report adopted.

#### APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S. F. No. 507: Messrs. Pillsbury, Merriam and McCutcheon.

S. F. No. 1843: Messrs. Stern, Penny and Kirchner.

H. F. No. 1896: Messrs. Sikorski; McCutcheon; Luther; Keefe, J. and Davies.

S. F. No. 2134: Messrs. Willet, Humphrey and Dunn.

S. F. No. 702: Messrs. Nelson, Staples and Kirchner.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

#### SECOND READING OF SENATE BILLS

S. F. Nos. 1631 and 1980 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### SECOND READING OF HOUSE BILLS

H. F. No. 1012 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Peterson moved that H. F. No. 1818, now on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

Mr. Dunn moved that S. F. No. 1736 be taken from the table. The motion prevailed.

S. F. No. 1736: A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5.

### CONCURRENCE AND REPASSAGE

Mr. Dunn moved that the Senate concur in the amendments by the House to S. F. No. 1736 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1736: A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; providing for payment of damages by petitioners for cartways; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5 and Minnesota Statutes, 1979 Supplement, Section 164.08, Subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Lessard	Penny	Strand
Ashbach	Frederick	Luther	Perpich	Stumpf
Bang	Gearty	McCutcheon	Pillsbury	Tennessee
Barrette	Gunderson	Menning	Purfeerst	Ueland, A.
Benedict	Hanson	Merriam	Renneke	Ulland, J.
Bernhagen	Hughes	Moe	Rued	Vega
Brataas	Johnson	Nelson	Schmitz	Wegener
Chmielewski	Keefe, J.	Nichols	Setzepfandt	Willet
Coleman	Kirchner	Ogdahl	Sieloff	
Davies	Kleinbaum	Olhoft	Sikorski	
Dieterich	Knaak	Olson	Spear	
Dunn	Knutson	Omann	Stern	

So the bill, as amended, was repassed and its title was agreed to.

### SUSPENSION OF RULES

Mr. Coleman moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### CALENDAR

H. F. No. 1814: A bill for an act relating to agriculture; clarifying certain requirements for authorized farm corporations; amending Minnesota Statutes 1978, Section 500.24, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Luther	Penny	Staples
Barrette	Hughes	McCutcheon	Perpich	Stern
Benedict	Jensen	Menning	Peterson	Stokowski
Bernhagen	Johnson	Moe	Pillsbury	Strand
Chmielewski	Kirchner	Nelson	Purfeerst	Stumpf
Coleman	Kleinbaum	Nichols	Renneke	Ueland, A.
Dieterich	Knaak	Ogdahl	Rued	Ulland, J.
Dunn	Knoll	Olhoft	Schmitz	Vega
Gearty	Knutson	Olson	Setzepfandt	Willet
Gunderson	Lessard	Omann	Sikorski	

Those who voted in the negative were:

Ashbach	Davies	Keefe, J.	Merriam	Spear
Bang	Engler	Keefe, S.	Sieloff	Tennessee
Brataas	Frederick			

So the bill passed and its title was agreed to.

H. F. No. 1453: A bill for an act relating to retirement; authorizing payment of severance pay to retiring employees; validating past payments; amending Minnesota Statutes 1978, Section 356.24; and Minnesota Statutes, 1979 Supplement, Section 465.72.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Staples
Ashbach	Gearty	Lessard	Perpich	Stern
Bang	Gunderson	Luther	Peterson	Stokowski
Barrette	Hanson	McCutcheon	Pillsbury	Strand
Benedict	Hughes	Menning	Purfeerst	Stumpf
Bernhagen	Jensen	Merriam	Renneke	Tennessee
Brataas	Johnson	Moe	Rued	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Willet
Dieterich	Kleinbaum	Olhoft	Sikorski	
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Omann	Spear	

So the bill passed and its title was agreed to.

S. F. No. 1028: A bill for an act relating to trade regulation; prohibiting certain unfair and deceptive practices and unreasonable restraints of trade in the business of motion picture distribution; prescribing penalties.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Perpich	Staples
Bang	Gunderson	Luther	Peterson	Stern
Barrette	Hanson	McCutcheon	Pillsbury	Stokowski
Benedict	Jensen	Menning	Purfeerst	Strand
Bernhagen	Johnson	Moe	Renneke	Stumpf
Brataas	Keefe, J.	Nelson	Rued	Tennessen
Chmielewski	Keefe, S.	Nichols	Schmitz	Ueland, A.
Coleman	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dieterich	Kleinbaum	Olhoft	Sieloff	Vega
Dunn	Knaak	Olson	Sikorski	Willet
Engler	Knoll	Omann	Sillers	
Frederick	Knutson	Penny	Spear	

Messrs. Ashbach, Davies, Hughes and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1636: A bill for an act relating to state government; requiring certain state-leased space and state agency meetings to be accessible to physically handicapped persons; requiring certain auxiliary aids for physically handicapped participants at state agency meetings; appropriating money; providing penalties; amending Minnesota Statutes 1978, Section 16.85, Subdivisions 1b, 1c, 1d, and by adding a subdivision; and Chapter 15, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 11, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knoll	Penny	Stern
Ashbach	Gunderson	Knutson	Perpich	Stokowski
Bang	Hanson	Lessard	Peterson	Strand
Barrette	Hughes	Luther	Purfeerst	Stumpf
Benedict	Jensen	Menning	Renneke	Tennessen
Bernhagen	Johnson	Moe	Rued	Vega
Chmielewski	Keefe, J.	Nelson	Schmitz	Willet
Coleman	Keefe, S.	Nichols	Sikorski	
Dieterich	Kirchner	Olhoft	Sillers	
Engler	Kleinbaum	Olson	Spear	
Frederick	Knaak	Omann	Staples	

Those who voted in the negative were:

Brataas	McCutcheon	Ogdahl	Setzepfandt	Ueland, A.
Davies	Merriam	Pillsbury	Sieloff	Ulland, J.
Dunn				

So the bill passed and its title was agreed to.

H. F. No. 2152: A bill for an act relating to Carver county; applying the provisions of the municipal housing and redevelopment act to Carver county; providing for local approval of projects.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olson	Spear
Ashbach	Gearty	Knutson	Omman	Staples
Bang	Gunderson	Laufenburger	Penny	Stern
Barrette	Hanson	Lessard	Perpich	Stokowski
Benedict	Hughes	Luther	Peterson	Strand
Bernhagen	Humphrey	McCutcheon	Pillsbury	Stumpf
Brataas	Jensen	Menning	Purfeerst	Tennesen
Chmielewski	Johnson	Merriam	Renneke	Ueland, A.
Coleman	Keefe, J.	Moe	Rued	Ulland, J.
Davies	Keefe, S.	Nelson	Schmitz	Vega
Dieterich	Kirchner	Nichols	Sieloff	Wegener
Dunn	Kleinbaum	Ogdahl	Sikorski	Willet
Engler	Knaak	Olhoft	Sillers	

Mr. Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 2099: A bill for an act relating to housing; permitting an increase in certain grants made by the housing finance agency; authorizing limitations on the assumability of mortgages made or purchased by a state or local agency; creating a veteran's housing assistance program; modifying the program for moderate rehabilitation of rental properties; changing municipal housing rehabilitation programs; appropriating money; amending Minnesota Statutes 1978, Sections 462A.05, Subdivision 17, and by adding a subdivision; 462A.06, Subdivision 11; 462A.21, by adding a subdivision and Minnesota Statutes, 1979 Supplement, Sections 462A.05, Subdivision 15; 462A.21, Subdivision 11; 462C.03, by adding a subdivision; and 462C.05, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Perpich	Stern
Ashbach	Gunderson	Laufenburger	Peterson	Stokowski
Bang	Hanson	Lessard	Pillsbury	Strand
Barrette	Hughes	Luther	Purfeerst	Stumpf
Benedict	Humphrey	Menning	Renneke	Tennesen
Bernhagen	Jensen	Merriam	Rued	Ueland, A.
Brataas	Johnson	Moe	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Setzepfandt	Vega
Coleman	Keefe, S.	Nichols	Sieloff	Wegener
Dieterich	Kirchner	Olhoft	Sikorski	Willet
Dunn	Kleinbaum	Olson	Sillers	
Engler	Knaak	Omman	Spear	
Frederick	Knoll	Penny	Staples	

Messrs. Davies and McCutcheon voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1987: A bill for an act relating to local government; regulating financial reports of certain municipal hospitals and nursing homes; amending Minnesota Statutes, 1979 Supplement, Sections 471.697, Subdivision 1; and 471.698, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Staples
Ashbach	Gearty	Laufenburger	Perpich	Stern
Bang	Gunderson	Luther	Peterson	Stokowski
Barrette	Hanson	Menning	Pillsbury	Strand
Benedict	Hughes	Merriam	Purfeerst	Stumpf
Bernhagen	Humphrey	Moe	Renneke	Tennessee
Brataas	Jensen	Nelson	Rued	Ueland, A.
Chmielewski	Johnson	Nichols	Schmitz	Ulland, J.
Davies	Keefe, J.	Ogdahl	Setzepfandt	Vega
Dieterich	Keefe, S.	Olhoft	Sieloff	Wegener
Dunn	Kirchner	Olson	Sikorski	Willet
Engler	Knaak	Omann	Spear	

Messrs. Kleinbaum, McCutcheon and Sillers voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1534: A bill for an act relating to real estate; increasing certain fees charged by the county recorder and registrar of titles; amending Minnesota Statutes 1978, Sections 357.18, Subdivision 1; and 508.82.

Was read the third time and placed on its final passage. The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Penny	Staples
Ashbach	Gunderson	Lessard	Perpich	Stern
Bang	Hanson	Luther	Peterson	Stokowski
Barrette	Hughes	McCutcheon	Pillsbury	Strand
Benedict	Humphrey	Menning	Purfeerst	Stumpf
Bernhagen	Jensen	Merriam	Renneke	Tennessee
Brataas	Johnson	Moe	Rued	Ueland, A.
Chmielewski	Keefe, S.	Nelson	Schmitz	Ulland, J.
Davies	Kirchner	Nichols	Setzepfandt	Vega
Dieterich	Kleinbaum	Ogdahl	Sieloff	Wegener
Dunn	Knaak	Olhoft	Sikorski	Willet
Engler	Knoll	Olson	Sillers	
Frederick	Knutson	Omann	Spear	

Mr. Keefe, J. voted in the negative.

So the bill passed and its title was agreed to.

## CALL OF THE SENATE

Mr. Tennesen imposed a call of the Senate for the proceedings on H. F. No. 753. The following Senators answered to their names:

Anderson	Engler	Kleinbaum	Ogdahl	Sikorski
Ashbach	Frederick	Knaak	Olhoff	Spear
Bang	Gearty	Knutson	Penny	Stern
Barrette	Gunderson	Laufenburger	Perpich	Stokowski
Bernhagen	Hanson	Lessard	Peterson	Strand
Brataas	Hughes	McCutcheon	Pillsbury	Stumpf
Chmielewski	Humphrey	Menning	Purfeerst	Tennesen
Coleman	Jensen	Merriam	Renneke	Ueland, A.
Davies	Johnson	Moe	Rued	Ulland, J.
Dieterich	Keefe, S.	Nelson	Schmitz	Vega
Dunn	Kirchner	Nichols	Sieloff	Willet

The Sergeant at Arms was instructed to bring in the absent members.

H. F. No. 753: A bill for an act relating to banks and banking; removing certain restrictions on services that may be offered at detached facilities; amending Minnesota Statutes 1978, Section 47.53.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 34 and nays 30, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Lessard	Perpich	Stokowski
Barrette	Humphrey	Luther	Pillsbury	Stumpf
Brataas	Johnson	McCutcheon	Sieloff	Tennesen
Coleman	Keefe, S.	Merriam	Sillers	Ueland, A.
Davies	Kleinbaum	Nelson	Spear	Ulland, J.
Dieterich	Knoll	Nichols	Staples	Vega
Gearty	Knutson	Ogdahl	Stern	

Those who voted in the negative were:

Anderson	Engler	Knaak	Omann	Setzepfandt
Ashbach	Frederick	Laufenburger	Penny	Sikorski
Benedict	Gunderson	Menning	Peterson	Solon
Bernhagen	Hughes	Moe	Purfeerst	Strand
Chmielewski	Jensen	Olhoff	Renneke	Wegener
Dunn	Kirchner	Olson	Schmitz	Willet

So the bill passed and its title was agreed to.

S. F. No. 1984: A bill for an act relating to attachment, garnishment and executions; exempting certain insurance contracts, employee benefits and rights of action from garnishment or attachment; amending Minnesota Statutes 1978, Section 550.37, by adding subdivisions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Perpich	Staples
Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Hughes	Menning	Purfeerst	Strand
Benedict	Humphrey	Merriam	Renneke	Stumpf
Brataas	Jensen	Moe	Schmitz	Tennessee
Chmielewski	Johnson	Nelson	Setzepfandt	Ueland, A.
Coleman	Kirchner	Nichols	Sieloff	Ulland, J.
Davies	Kleinbaum	Ogdahl	Sikorski	Vega
Dieterich	Knaak	Olson	Sillers	Wegener
Dunn	Knoll	Omann	Solon	Willet
Engler	Knutson	Penny	Spear	

So the bill passed and its title was agreed to.

H. F. No. 2185: A bill for an act relating to the Knife Lake Improvement District in Kanabec County; authorizing Kanabec County to finance the cost of a certain improvement within the district.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Peterson	Stokowski
Ashbach	Gunderson	Luther	Pillsbury	Strand
Bang	Hanson	Menning	Purfeerst	Stumpf
Barrette	Hughes	Merriam	Renneke	Tennessee
Benedict	Humphrey	Moe	Rued	Ueland, A.
Bernhagen	Jensen	Nelson	Schmitz	Ulland, J.
Brataas	Johnson	Nichols	Setzepfandt	Vega
Chmielewski	Kirchner	Ogdahl	Sieloff	Wegener
Davies	Kleinbaum	Olhoff	Sikorski	Willet
Dieterich	Knaak	Olson	Solon	
Dunn	Knoll	Omann	Spear	
Engler	Knutson	Penny	Staples	
Frederick	Laufenburger	Perpich	Stern	

So the bill passed and its title was agreed to.

H. F. No. 1723: A bill for an act relating to snowmobiles; authorizing use in trapping related activities in certain counties; amending Minnesota Statutes, 1979 Supplement, Section 100.29, Subdivision 30.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederick	Humphrey	Knaak
Ashbach	Chmielewski	Gearty	Jensen	Knutson
Bang	Davies	Gunderson	Johnson	Laufenburger
Barrette	Dieterich	Hanson	Kirchner	Lessard
Benedict	Engler	Hughes	Kleinbaum	Luther

Menning	Olhoft	Purfeerst	Sikorski	Ueland, A.
Merriam	Olson	Renneke	Solon	Ulland, J.
Moe	Omann	Rued	Stern	Vega
Nelson	Penny	Schmitz	Stokowski	Wegener
Nichols	Perpich	Setzepfandt	Strand	Willet
Ogdahl	Pillsbury	Sieloff	Tennessee	

Messrs. Knoll, Peterson, Spear, Mrs. Staples and Mr. Stumpf voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 2191: A bill for an act relating to unemployment compensation; including certain services as within definition of employment; providing for the noncharging of certain benefits; regulating accounts of successor employers; regulating reimbursements; providing for deductions from benefits; clarifying a certain disqualification from benefits; regulating employer protests; regulating certain interest charges and penalties; providing for adjustments; amending Minnesota Statutes 1978, Sections 268.06, Subdivisions 25, 26 and 28; 268.10, Subdivision 1; 268.16, Subdivisions 1, 2 and 6; and Minnesota Statutes, 1979 Supplement, Sections 268.04, Subdivision 12; 268.06, Subdivisions 5, 22 and 33; 268.08, Subdivision 3; and 268.09, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Peterson	Stokowski
Aashbach	Gunderson	Luther	Pillsbury	Strand
Bang	Hanson	Menning	Purfeerst	Stumpf
Barrette	Hughes	Merriam	Renneke	Tennessee
Benedict	Humphrey	Moe	Rued	Ueland, A.
Bernhagen	Jensen	Nelson	Schmitz	Ulland, J.
Brataas	Johnson	Nichols	Setzepfandt	Vega
Chmielewski	Kirchner	Ogdahl	Sieloff	Wegener
Davies	Kleinbaum	Olhoft	Sikorski	Willet
Dieterich	Knaak	Olson	Solon	
Dunn	Knoll	Omann	Spear	
Engler	Knutson	Penny	Staples	
Frederick	Laufenburger	Perpich	Stern	

So the bill passed and its title was agreed to.

H. F. No. 2187: A bill for an act relating to state lands; authorizing conveyance of certain parcels of land in the city of Brooklyn Center.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	Menning	Purfeerst	Stokowski
Chmielewski	Jensen	Merriam	Renneke	Strand
Coleman	Johnson	Moe	Rued	Stumpf
Davis	Keefe, S.	Nelson	Schmitz	Tennessee
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olson	Sieloff	Vega
Engler	Knaak	Omann	Sikorski	Wegener
Gearty	Knoll	Penny	Solon	Willet

Those who voted in the negative were:

Ashbach	Frederick	Nichols	Olhoft	Ueland, A.
Bang	Knutson			

So the bill passed and its title was agreed to.

H. F. No. 2369: 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; reenacting a law; amending Minnesota Statutes 1978, Sections 15.052, Subdivision 9; 16.851, Subdivision 1; 16A.26; 25.31; 25.32; 25.33, Subdivisions 1 and 5; 25.34, Subdivision 3; 25.36; 25.40; 25.41, Subdivisions 1 and 5; 25.42; 25.43; 25.44; 28A.15, Subdivision 4; 89.35; 89.36, Subdivision 1; 89.39; 93.45, Subdivision 2; 111.21, Subdivision 1; 112.46; 116.02, Subdivision 2; 116.16, Subdivision 2; 116C.65; 116H.06; 120.17, Subdivision 9; 122.531, Subdivision 2; 123.42; 124.212, Subdivision 8a; 124.46, Subdivision 3; 125.12, Subdivision 4; 126.41, Subdivision 2; 128A.04; 136.148; 136.501; 136.503, Subdivision 1; 136.506; 144.225, Subdivision 1; 144A.01, Subdivision 5; 144A.10, Subdivision 1; 144A.24; 145.22; 147.073, Subdivision 1; 161.171, Subdivision 5; 161.173; 162.02, Subdivision 1; 168B.02, Subdivisions 1 and 2; 168B.05; 168B.07, Subdivision 2; 168B.08, Subdivision 3; 169.751; 169.99, Subdivision 3; 179.61; 179.62; 179.63, Subdivisions 1 and 4; 179.65, Subdivision 1; 179.66, Subdivisions 5, 6 and 9; 179.67, Subdivision 1; 179.68; 179.71, Subdivisions 2, 4 and 5; 179.74, Subdivision 2; 181.12; 197.17; 202A.61; 238.01; 238.02, Subdivisions 1 and 4; 238.03; 238.04, Subdivision 9; 238.06, Subdivision 2; 238.08, Subdivision 4; 238.10; 238.16, Subdivision 2; 241.08, Subdivision 2; 241.44, Subdivision 1a; 242.37; 243.07; 243.12; 245.813, Subdivision 9; 256.09; 256.736, Subdivision 3; 256.76, Subdivision 2; 256.78; 256D.10; 256D.13; 260.251, Subdivision 3; 268.013, Subdivision 6; 296.01, Subdivision 1; 296.11; 296.15, Subdivision 2; 296.17, Subdivisions 1 and 5; 296.19; 296.20; 296.24; 301.511, Subdivision 2; 325.01, Subdivision 1; 325.907, Subdivision 1; 326.33, Subdivision 1; 333.055, Subdivision 2; 340.07, Subdivision 11; 340.11, Subdivision 9; 340.12; 340.14, Subdivision 5; 352.116; 352.1191; 352E.01, Subdivision 1; 352E.04; 352E.045; 354.44, Subdivision 5; 359.07, Subdivision 2; 360.018, Subdivisions 7 and 9; 363.02, Subdivision 3; 365.22; 367.33, Subdivision 3; 387.45; 390.23; 394.24, Subdivision 3; 394.25, Subdivision 5a; 401.02, Subdivision 1; 412.251; 419.07; 419.075, Subdivision 2; 422A.06, Subdivision 2; 422A.11, Subdivision 1; 429.061,

Subdivision 1; 435.191; 440.40; 459.14, Subdivision 7; 462.352, Subdivision 10; 462.36, Subdivision 1; 465.56, Subdivision 2; 471.591, Subdivision 1; 473.163, Subdivision 3; 473.223; 473F.02, Subdivision 21; 474.02, Subdivision 1b; 485.018, Subdivision 4; 485.021; 505.178, Subdivision 2; 525.72; 546.10; 626.556, Subdivision 11; 628.41, Subdivision 6; Chapter 390, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 10A.01, Subdivision 11; 62A.02, Subdivision 3; 69.771, Subdivision 1; 179.74, Subdivision 4; 256B.06, Subdivision 1; 273.73, Subdivision 6; 273.76, Subdivision 2; 273.77; 273.86, Subdivision 4; 275.125, Subdivision 9; 290.06, Subdivisions 3g and 14; 326.211, Subdivision 9; 354A.094, Subdivisions 2, 3, 8, and by adding a subdivision; 354A.38, Subdivision 3; 402.01, Subdivision 1; 424A.06, Subdivision 2; 462A.22, Subdivision 1a; 519.11, Subdivision 1; 549.09, Subdivision 1; 609.341, Subdivision 13; Laws 1979, Chapters 134, Section 2; 333, Sections 26, and 31, Subdivision 3; 335, Section 3, Subdivision 20; and reenacting Laws 1979, Chapter 303, Article I, Section 14; repealing Minnesota Statutes 1978, Sections 239.27; 325.01, Subdivisions 8, 9, 10, 11 and 12; 354A.22, as amended by Laws 1979, Chapter 334, Article VII, Sections 23 to 26; 390.33, Subdivision 7; Laws 1976, Chapters 155, Section 1; 222, Sections 30 and 31; 348, Section 15; Laws 1977, Chapter 323, Section 1; Laws 1979, Chapters 31, Section 2; 217, Section 11; and 316, Section 11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Staples
Ashbach	Gearty	Laufenburger	Perpich	Stern
Bang	Gunderson	Lessard	Peterson	Stokowski
Barrette	Hanson	Luther	Pillsbury	Strand
Benedict	Hughes	Menning	Purfeerst	Stumpf
Bernhagen	Humphrey	Merriam	Renneke	Tennessee
Brataas	Jensen	Moe	Rued	Ueland, A.
Chmielewski	Johnson	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoft	Sikorski	Willett
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Omann	Spear	

So the bill passed and its title was agreed to.

H. F. No. 1095: A bill for an act relating to courts; authorizing certain actions against state officers to be tried in a county other than where the cause of action arose; providing for procedure for removal; amending Minnesota Statutes 1978, Sections 542.03; and 542.18.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Staples
Ashbach	Gearty	Laufenburger	Perpich	Stern
Bang	Gunderson	Lessard	Peterson	Stokowski
Barrette	Hanson	Luther	Pillsbury	Strand
Benedict	Hughes	Menning	Purfeerst	Stumpf
Bernhagen	Humphrey	Merriam	Renneke	Tennessee
Brataas	Jensen	Moe	Rued	Ueland, A.
Chmielewski	Johnson	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzpfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoft	Sikorski	Willet
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Omann	Spear	

So the bill passed and its title was agreed to.

H. F. No. 1727: A bill for an act relating to family; providing that natural parents may obtain a copy of an adopted child's original birth certificate; allowing parents ten days to revoke consent to adoption; providing a pre-adoption residency of three months; amending Minnesota Statutes 1978, Sections 144.218, Subdivision 1; 144.225, Subdivision 2; 259.24, Subdivision 5, and by adding a subdivision; 259.25, Subdivision 1, and by adding a subdivision; and 259.27, Subdivision 4; repealing Minnesota Statutes, 1979 Supplement, Sections 259.24, Subdivision 6; and 259.25, Subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Penny	Spear
Ashbach	Gearty	Lessard	Perpich	Staples
Bang	Gunderson	Luther	Peterson	Stern
Barrette	Hanson	Menning	Pillsbury	Strand
Benedict	Hughes	Merriam	Purfeerst	Stumpf
Bernhagen	Jensen	Moe	Renneke	Tennessee
Brataas	Johnson	Nelson	Rued	Ueland, A.
Chmielewski	Keefe, S.	Nichols	Schmitz	Ulland, J.
Davies	Kirchner	Ogdahl	Setzpfandt	Vega
Dieterich	Kleinbaum	Olhoft	Sieloff	Wegener
Dunn	Knaak	Olson	Sikorski	Willet
Engler	Knutson	Omann	Solon	

Messrs. Humphrey and Knoll voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 2244: A bill for an act relating to Independent School Districts Nos. 279 (Osseo) and 286 (Brooklyn Center); providing for transfers of territory between the districts.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Staples
Ashbach	Gearty	Laufenburger	Perpich	Stern
Bang	Gunderson	Lessard	Peterson	Stokowski
Barrette	Hanson	Luther	Pillsbury	Strand
Benedict	Hughes	Menning	Purfeerst	Stumpf
Bernhagen	Humphrey	Merriam	Renneke	Tennessee
Brataas	Jensen	Moe	Rued	Ueland, A.
Chmielewski	Johnson	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoff	Sikorski	Willet
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Omann	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2113: A bill for an act relating to education; modifying the employment status of certain substitute teachers; amending Minnesota Statutes 1978, Section 123.35, Subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Penny	Staples
Ashbach	Gearty	Laufenburger	Perpich	Stern
Bang	Gunderson	Lessard	Peterson	Stokowski
Barrette	Hanson	Luther	Pillsbury	Strand
Benedict	Hughes	Menning	Purfeerst	Stumpf
Bernhagen	Humphrey	Merriam	Renneke	Tennessee
Brataas	Jensen	Moe	Rued	Ueland, A.
Chmielewski	Johnson	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoff	Sikorski	Willet
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Omann	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2263: A bill for an act relating to education; requiring a school board to provide certain teachers on extended leaves of absence with certain health care benefits under certain conditions; amending Minnesota Statutes 1978, Section 125.60, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Bang	Benedict	Chmielewski	Davies
Ashbach	Barrette	Brataas	Coleman	Dieterich

Dunn	Keefe, S.	Moe	Purfeerst	Stokowski
Engler	Kirchner	Nelson	Renneke	Strand
Frederick	Kleinbaum	Nichols	Rued	Stumpf
Gearty	Knaak	Ogdahl	Schmitz	Tennessee
Gunderson	Knoll	Olhoff	Setzepfandt	Ueland, A.
Hanson	Knutson	Olson	Sieloff	Ulland, J.
Hughes	Laufenburger	Omann	Sikorski	Vega
Humphrey	Lessard	Penny	Solon	Wegener
Jensen	Luther	Perpich	Spear	Willet
Johnson	Menning	Peterson	Staples	
Keefe, J.	Merriam	Pillsbury	Stern	

So the bill passed and its title was agreed to.

S. F. No. 1835: A bill for an act relating to education; clarifying a term and removing obsolete language in provisions governing school district dissolution and attachment procedure, the consolidation procedure, the procedure for reorganizing a common school district, the procedure for calling special meetings in common school districts, actions against certain school board members, actions against certain school employees, and the establishment of certain libraries; amending Minnesota Statutes 1978, Section 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 123.11, Subdivision 7; 127.09; 127.11; and 134.08.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Stern
Ashbach	Gearty	Knutson	Penny	Stokowski
Barrette	Hanson	Laufenburger	Perpich	Strand
Benedict	Hughes	Lessard	Pillsbury	Stumpf
Bernhagen	Humphrey	Luther	Purfeerst	Tennessee
Brataas	Jensen	Merriam	Renneke	Ueland, A.
Chmielewski	Johnson	Moe	Rued	Ulland, J.
Coleman	Keefe, J.	Nelson	Schmitz	Vega
Davies	Keefe, S.	Nichols	Sieloff	Wegener
Dieterich	Kirchner	Ogdahl	Sikorski	Willet
Dunn	Kleinbaum	Olhoff	Spear	
Engler	Knaak	Olson	Staples	

Messrs. Gunderson, Menning, Peterson and Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 2314: A bill for an act relating to the legislative auditor; clarifying access to data; amending Minnesota Statutes 1978, Section 3.97, by adding subdivisions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knutson	Penny	Stern
Ashbach	Gunderson	Laufenburger	Perpich	Stokowski
Bang	Hanson	Lessard	Peterson	Strand
Barrette	Hughes	Luther	Pillsbury	Stumpf
Benedict	Humphrey	Menning	Purfeerst	Tennessee
Bernhagen	Jensen	Merriam	Renneke	Ueland, A.
Brataas	Johnson	Moe	Rued	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Schmitz	Vega
Davies	Keefe, S.	Nichols	Setzepfandt	Wegener
Dieterich	Kirchner	Ogdahl	Sieloff	Willet
Dunn	Kleinbaum	Olhoff	Sikorski	
Engler	Knaak	Olson	Spear	
Frederick	Knoll	Omann	Staples	

So the bill passed and its title was agreed to.

S. F. No. 1717: A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing limited annual automatic post retirement adjustments for certain newly employed, active and retired local relief association members with municipal approval.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Staples
Ashbach	Gearty	Knutson	Penny	Stern
Bang	Gunderson	Laufenburger	Perpich	Stokowski
Barrette	Hanson	Lessard	Peterson	Strand
Benedict	Hughes	Luther	Pillsbury	Stumpf
Bernhagen	Humphrey	Menning	Purfeerst	Tennessee
Brataas	Jensen	Merriam	Renneke	Ueland, A.
Chmielewski	Johnson	Moe	Rued	Ulland, J.
Coleman	Keefe, J.	Nelson	Schmitz	Vega
Davies	Keefe, S.	Nichols	Setzepfandt	Wegener
Dieterich	Kirchner	Ogdahl	Sieloff	Willet
Dunn	Kleinbaum	Olhoff	Sikorski	
Engler	Knaak	Olson	Spear	

So the bill passed and its title was agreed to.

H. F. No. 1800: A bill for an act relating to health care; regulating benefits made available under certain health care plans; requiring coverage for reconstructive surgery under certain conditions; amending Minnesota Statutes 1978, Section 62E.06, Subdivision 1, as amended, and Chapter 62A, by adding a section.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Benedict	Davies	Frederick	Hughes
Ashbach	Bernhagen	Dieterich	Gearty	Humphrey
Bang	Chmielewski	Dunn	Gunderson	Jensen
Barrette	Coleman	Engler	Hanson	Johnson

Keefe, J.	Menning	Omann	Setzepfandt	Stumpf
Keefe, S.	Merriam	Penny	Sieloff	Tennessee
Kleinbaum	Moe	Perpich	Sikorski	Ueland, A.
Knaak	Nelson	Peterson	Spear	Ulland, J.
Knoll	Nichols	Pillsbury	Staples	Vega
Laufenburger	Ogdahl	Purfeerst	Stern	Wegener
Lessard	Olhoft	Rued	Stokowski	Willet
Luther	Olson	Schmitz	Strand	

Messrs. Kirchner, Knutson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1653: A bill for an act relating to public welfare; eliminating authorization for Minnesota State Children's Center; repealing Minnesota Statutes 1978, Sections 260.41 to 260.46.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Staples
Ashbach	Gearty	Knutson	Penny	Stern
Bang	Gunderson	Laufenburger	Perpich	Stokowski
Barrette	Hanson	Lessard	Peterson	Strand
Benedict	Hughes	Luther	Pillsbury	Stumpf
Bernhagen	Humphrey	Menning	Purfeerst	Tennessee
Brataas	Jensen	Merriam	Renneke	Ueland, A.
Chmielewski	Johnson	Moe	Rued	Ulland, J.
Coleman	Keefe, J.	Nelson	Schmitz	Vega
Davies	Keefe, S.	Nichols	Setzepfandt	Wegener
Dieterich	Kirchner	Ogdahl	Sieloff	Willet
Dunn	Kleinbaum	Olhoft	Sikorski	
Engler	Knaak	Olson	Spear	

So the bill passed and its title was agreed to.

H. F. No. 1996: A bill for an act relating to industrial development; providing for various energy related projects; amending Minnesota Statutes 1978, Sections 474.01, Subdivision 4; and 474.02, by adding subdivisions; and Minnesota Statutes, 1979 Supplement, Section 474.03.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Jensen	Knutson	Ogdahl
Bang	Engler	Johnson	Laufenburger	Olhoft
Barrette	Frederick	Keefe, J.	Lessard	Olson
Benedict	Gearty	Keefe, S.	Luther	Omann
Brataas	Gunderson	Kirchner	Menning	Penny
Chmielewski	Hanson	Kleinbaum	Moe	Perpich
Coleman	Hughes	Knaak	Nelson	Pillsbury
Dieterich	Humphrey	Knoll	Nichols	Purfeerst

Renneke	Sieloff	Stern	Tennessee	Wegener
Rued	Sikorski	Stokowski	Ueland, A.	Willet
Schmitz	Spear	Strand	Ulland, J.	
Setzepfandt	Staples	Stumpf	Vega	

Messrs. Ashbach, Bernhagen, Davies, Merriam and Peterson voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 2374: A bill for an act relating to the state ceremonial building; creating the state ceremonial building board; amending Minnesota Statutes 1978, Section 16.872.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knoll	Penny	Staples
Barrette	Gunderson	Laufenburger	Perpich	Stern
Benedict	Hanson	Lessard	Purfeerst	Stokowski
Bernhagen	Hughes	Luther	Renneke	Stumpf
Chmielewski	Humphrey	Menning	Rued	Tennessee
Coleman	Jensen	Merriam	Schmitz	Ulland, J.
Dieterich	Johnson	Moe	Setzepfandt	Vega
Dunn	Keefe, S.	Nelson	Sieloff	Wegener
Engler	Kirchner	Olhoft	Sikorski	
Frederick	Kleinbaum	Olson	Spear	

Those who voted in the negative were:

Ashbach	Davies	Knutson	Omann	Strand
Bang	Keefe, J.	Nichols	Peterson	Ueland, A.
Brataas	Knaak	Ogdahl	Pillsbury	Willet

So the bill passed and its title was agreed to.

H. F. No. 2262: A bill for an act relating to highway traffic regulations; including a constable within the meaning of the definition of peace officer in the implied consent law; amending Minnesota Statutes 1978, Section 169.123, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Johnson	Luther	Penny
Ashbach	Dunn	Keefe, J.	Menning	Perpich
Bang	Engler	Keefe, S.	Merriam	Peterson
Barrette	Frederick	Kirchner	Moe	Pillsbury
Benedict	Gearty	Kleinbaum	Nelson	Purfeerst
Bernhagen	Gunderson	Knaak	Nichols	Renneke
Brataas	Hanson	Knoll	Ogdahl	Rued
Chmielewski	Hughes	Knutson	Olhoft	Schmitz
Coleman	Humphrey	Laufenburger	Olson	Setzepfandt
Davies	Jensen	Lessard	Omann	Sieloff

Sikorski	Stern	Stumpf	Ulland, J.	Willet
Spear	Stokowski	Tennessee	Vega	
Staples	Strand	Ueland, A.	Wegener	

So the bill passed and its title was agreed to.

H. F. No. 1949: A bill for an act relating to zoning; providing for notice of hearings; changing notice provisions for variance hearings; amending Minnesota Statutes 1978, Section 394.26, Subdivision 2.

Was the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Penny	Staples
Ashbach	Gearty	Knutson	Perpich	Stern
Bang	Gunderson	Lessard	Peterson	Stokowski
Barrette	Hanson	Luther	Pillsbury	Strand
Benedict	Hughes	Menning	Purfeerst	Stumpf
Bernhagen	Humphrey	Merriam	Rued	Tennessee
Brataas	Jensen	Moe	Schmitz	Ueland, A.
Chmielewski	Johnson	Nelson	Setzepfandt	Ulland, J.
Coleman	Keefe, J.	Nichols	Sieloff	Vega
Davies	Kirchner	Ogdahl	Sikorski	Wegener
Dieterich	Kleinbaum	Olhoff	Solon	
Engler	Knaak	Olson	Spear	

Messrs. Dunn, Laufenburger, Omann, Renneke and Willet voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 2075: A bill for an act relating to health; requiring certain immunizations for children; requiring certain schools to maintain immunization records and make certain reports; amending Minnesota Statutes 1978, Section 123.70.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Staples
Ashbach	Gearty	Knutson	Penny	Stern
Bang	Gunderson	Laufenburger	Perpich	Stokowski
Barrette	Hanson	Lessard	Peterson	Strand
Benedict	Hughes	Luther	Pillsbury	Stumpf
Bernhagen	Humphrey	Menning	Purfeerst	Tennessee
Brataas	Jensen	Merriam	Renneke	Ueland, A.
Chmielewski	Johnson	Moe	Rued	Ulland, J.
Coleman	Keefe, J.	Nelson	Schmitz	Vega
Davies	Keefe, S.	Nichols	Sieloff	Wegener
Dieterich	Kirchner	Ogdahl	Sikorski	
Dunn	Kleinbaum	Olhoff	Solon	
Engler	Knaak	Olson	Spear	

Messrs. Setzepfandt and Willet voted in the negative.

So the bill passed and its title was agreed to.

### CALL OF THE SENATE

Mr. Humphrey imposed a call of the Senate for the proceedings on S. F. No. 657. The following Senators answered to their names:

Anderson	Frederick	Knaak	Olson	Spear
Ashbach	Gearty	Knoll	Omann	Staples
Bang	Gunderson	Knutson	Penny	Stern
Barrette	Hanson	Lessard	Perpich	Stokowski
Benedict	Hughes	Luther	Pillsbury	Strand
Bernhagen	Humphrey	Menning	Purfeerst	Stumpf
Brataas	Jensen	Merriam	Renneke	Tennessee
Coleman	Johnson	Moe	Schmitz	Ueland, A.
Davies	Keefe, J.	Nelson	Setzepfandt	Ulland, J.
Dieterich	Keefe, S.	Nichols	Sieloff	Vega
Dunn	Kirchner	Ogdahl	Sikorski	Willet
Engler	Kleinbaum	Oihoft	Solon	

The Sergeant at Arms was instructed to bring in the absent members.

S. F. No. 657: A bill for an act relating to nuclear fission thermal power plant certificates of need; adding additional conditions; providing changes in rate base computations; amending Minnesota Statutes 1978, Sections 116H.02, by adding subdivisions; 116H.13, by adding a subdivision; and 216B.16, Subdivision 6.

With the unanimous consent of the Senate, Mr. Humphrey moved to amend S. F. No. 657 as follows:

Page 3, line 2, delete "or"

Page 3, line 3, delete "a year in jail"

The motion prevailed. So the amendment was adopted.

S. F. No. 657 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Menning	Schmitz	Strand
Barrette	Humphrey	Merriam	Sikorski	Stumpf
Benedict	Johnson	Moe	Solon	Tennessee
Coleman	Keefe, S.	Nelson	Spear	Ulland, J.
Davies	Kleinbaum	Oihoft	Staples	Vega
Dieterich	Knoll	Penny	Stern	Willet
Gearty	Luther	Perpich	Stokowski	

Those who voted in the negative were:

Ashbach	Frederick	Knutson	Omann	Sieloff
Bang	Gunderson	Laufenburger	Pillsbury	Ueland, A.
Bernhagen	Jensen	Lessard	Purfeerst	Wegener
Brataas	Keefe, J.	Nichols	Renneke	
Dunn	Kirchner	Ogdahl	Rued	
Engler	Knaak	Olson	Setzepfandt	

So the bill, as amended, passed and its title was agreed to.

H. F. No. 1899: A bill for an act relating to the office of secretary of state; adjusting certain fees collected by that office; making them more uniform; amending Minnesota Statutes 1978, Sections 47.16; 53.01; 221.67; 303.13, Subdivision 1; 308.06, Subdivision 4; 317.04, Subdivision 3; 317.67; 540.152; and 543.08.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearly	Lessard	Perpich	Stern
Barrette	Gunderson	Luther	Pillsbury	Stokowski
Benedict	Hughes	Menning	Purfeerst	Strand
Bernhagen	Humphrey	Merriam	Renneke	Stumpf
Brataas	Jensen	Moe	Rued	Tenessen
Chmielewski	Keefe, J.	Nelson	Schmitz	Ueland, A.
Coleman	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Davies	Kirchner	Ogdahl	Sieloff	Vega
Dieterich	Kleinbaum	Olhoft	Sikorski	Wegener
Dunn	Knaak	Olson	Solon	Willet
Engler	Knoll	Omann	Spear	
Frederick	Knutson	Penny	Staples	

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mrs. Staples moved that S. F. No. 1141 be taken from the table. The motion prevailed.

Mrs. Staples moved that S. F. No. 1141 be laid on the table. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

#### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2476.

H. F. No. 2476: A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; appropriating money; amending Minnesota Statutes 1978, Sections 3A.03, Subdivision 2; 3A.04, Subdivisions 3 and 4; 15.0597, Subdivisions 3, 4, 5, 6 and 7; 15.50, Subdivision 1; 16.854, Subdivision 1; 16A.131, by adding a subdivision; 16A.67, Subdivision 1; 16A.721; 43.005, by adding a subdivision; 43.05, Subdivision 2; 43.062, Subdivisions 1, 2 and 3; 43.065; 43.067, Subdivision 2; 43.068; 43.323, Subdivisions 1 and 2; 43.35; 62D, by adding a subdivision; 82.34; 90.195; 94.10, Subdivision 1; 94.16; 121.90; 121.902, Subdivision 1; 121.906, Subdivision 2; 121.908; 121.912, Subdivision 2; 121.914,

Subdivision 1; 136.81, Subdivision 1; 145.913, Subdivision 3; 214.06, Subdivision 1; 216.16; 216A.01; 216A.03, Subdivision 3, and by adding a subdivision; 216A.04, Subdivisions 1 and 3, and by adding a subdivision; 216A.05, Subdivisions 4 and 5; 216A.07; 216B.17, Subdivision 1; 216B.19; 216B.54; 216B.62, Subdivisions 2 and 3; 216B.64; 237.02; 237.12; 237.295, Subdivisions 1 and 2; 246.014; 352.01, Subdivision 2B; 352.04, Subdivision 5; 352.73, Subdivision 3; 352B.25; 352C.04, Subdivision 3; 352C.09, Subdivision 2; 353.83; 354.55, Subdivision 5; 355.46, Subdivision 3; 355.-50; 403.11, Subdivision 3; 473.408, Subdivision 3; 490.123, Subdivision 1; and Chapters 16, by adding sections; 16A, by adding sections; 97, by adding a section; 121, by adding sections; 216A, by adding a section; 246, by adding a section; 253A, by adding a section; 256, by adding a section; 259, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 3.3005, Subdivision 4; 15A.083, Subdivision 4; 16A.126; 174.28, Subdivision 2; 43.09, Subdivision 2a; 43.24; 82.81, Subdivision 1; 121.917, Subdivision 4; 354A.12, Subdivision 2; 422A.101, Subdivision 3; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5; 301, Section 3 by adding a subdivision; repealing Minnesota Statutes 1978, Sections 3A.11, Subdivision 3; 43.03; 43.06; 121.92, Subdivision 1; 216B.62, Subdivision 1; 352.73, Subdivision 4; 354.43, Subdivision 2; 490.025, Subdivision 8; Minnesota Statutes, 1979 Supplement, Sections 16.93; 16.965; 121.92, Subdivision 2; and Laws 1979, Chapter 217, Section 11.

And the House respectfully requests that a Conference Committee of five members be appointed thereon.

McCarron; Kahn; Anderson, G.; Forsythe and Simoneau have been appointed as such committee on the part of the House.

House File No. 2476 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 27, 1980

Mr. Moe moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 2476, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

#### SUSPENSION OF RULES

Mr. Coleman moved that the Senate take up the Consent Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

#### CONSENT CALENDAR

H. F. No. 1262: A bill for an act relating to the city of Breezy Point; relating to its tax levy for general purposes; repealing Laws 1971, Chapter 110.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Lessard	Penny	Spear
Ashbach	Gearty	Luther	Perpich	Staples
Bang	Gunderson	Menning	Pillsbury	Stern
Barrette	Hughes	Merriam	Purfeerst	Stokowski
Benedict	Humphrey	Moe	Renneke	Strand
Bernhagen	Jensen	Nelson	Rued	Stumpf
Brataas	Kirchner	Nichols	Schmitz	Tennessen
Chmielewski	Kleinbaum	Ogdahl	Setzepfandt	Ueland, A.
Coleman	Knaak	Olhoft	Sieloff	Ulland, J.
Davies	Knoll	Olson	Sikorski	Vega
Dieterich	Laufenburger	Omann	Solon	Willet

So the bill passed and its title was agreed to.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Nelson moved that H. F. No. 1981 be taken from the table. The motion prevailed.

H. F. No. 1981: A bill for an act relating to public welfare; authorizing certain payments to shelter facilities for battered women; requiring direct payments to shelter facilities from general assistance; amending Minnesota Statutes 1978, Section 256D.05, Subdivision 3.

#### SUSPENSION OF RULES

Mr. Nelson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1981 and that the rules of the Senate be so far suspended as to give H. F. No. 1981 its second and third reading and place it on its final passage.

#### CALL OF THE SENATE

Mr. Nelson imposed a call of the Senate for the proceedings on H. F. No. 1981. The following Senators answered to their names:

Anderson	Frederick	Knoll	Perpich	Staples
Bang	Gearty	Knutson	Pillsbury	Stern
Barrette	Gunderson	Lessard	Purfeerst	Stokowski
Benedict	Hanson	Luther	Renneke	Strand
Bernhagen	Hughes	Menning	Rued	Stumpf
Brataas	Humphrey	Nelson	Schmitz	Ueland, A.
Coleman	Jensen	Nichols	Setzepfandt	Ulland, J.
Davies	Johnson	Ogdahl	Sieloff	Vega
Dieterich	Kirchner	Olhoft	Sikorski	Willet
Dunn	Kleinbaum	Omann	Solon	
Engler	Knaak	Penny	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Nelson.

The roll was called, and there were yeas 43 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Knoll	Penny	Stokowski
Benedict	Hughes	Laufenburger	Perpich	Strand
Brataas	Humphrey	Lessard	Purfeerst	Stumpf
Coleman	Jensen	Luther	Setzepfandt	Ulland, J.
Dieterich	Johnson	Merriam	Sikorski	Vega
Dunn	Keefe, S.	Moe	Solon	Wegener
Engler	Kirchner	Nelson	Spear	Willet
Gearty	Kleinbaum	Nichols	Staples	
Gunderson	Knaak	Olson	Stern	

Those who voted in the negative were:

Bang	Frederick	Ogdahl	Renneke	Sillers
Bernhagen	Keefe, J.	Olhoft	Rued	Tennessee
Chmielewski	Knutson	Omann	Schmitz	Ueland, A.
Davies	Menning	Pillsbury	Sieloff	

The motion did not prevail.

### SUSPENSION OF RULES

Mr. Nelson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 1981 and that the rules of the Senate be so far suspended as to give H. F. No. 1981 its second reading and be substituted on the General Orders Calendar for S. F. No. 2027, and that S. F. No. 2027 be indefinitely postponed. The motion prevailed.

H. F. No. 1981 was read the second time.

### SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 1837 a Special Order to be heard immediately.

H. F. No. 1837: 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 1978, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Keefe, S.	Menning	Penny
Barrette	Gearty	Kirchner	Merriam	Perpich
Benedict	Gunderson	Kleinbaum	Moe	Purfeerst
Bernhagen	Hanson	Knoll	Nelson	Renneke
Chmielewski	Hughes	Laufenburger	Nichols	Rued
Coleman	Humphrey	Lessard	Olhoft	Setzepfandt
Davies	Johnson	Luther	Olson	Sikorski

Solon	Stern	Stumpf	Vega	Willet
Spear	Stokowski	Ulland, J.	Wegener	
Staples	Strand			

Those who voted in the negative were:

Bang	Frederick	Knaak	Omann	Sillers
Brataas	Jensen	Knutson	Pillsbury	Tennessee
Dieterich	Keefe, J.	Ogdahl	Sieloff	Ueland, A.
Engler				

So the bill passed and its title was agreed to.

#### MEMBERS EXCUSED

Mr. Schaaf was excused from this afternoon's Session. Mr. Sieloff was excused from the Session of today until 12:00 o'clock noon. Mr. Solon was excused from this evening's Session from 8:00 to 9:30 o'clock p.m.

#### MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 9:30 o'clock a.m., Friday, March 28, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate